

## PRELIMINARY OFFICIAL STATEMENT DATED MAY 27, 2025

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

The Notes shall be designated as "qualified tax-exempt obligations".

**New Issue**

**Rating Application Made: Moody's Investors Service, Inc.**

### ST. CROIX COUNTY, WISCONSIN

### \$7,500,000\* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2025A

**BID OPENING:** June 3, 2025, 10:30 A.M., C.T.

**CONSIDERATION:** June 3, 2025, 5:00 P.M., C.T.

**PURPOSE/AUTHORITY/SECURITY:** The \$7,500,000\* General Obligation Promissory Notes, Series 2025A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by St. Croix County, Wisconsin (the "County"), for public purposes, including the construction of a satellite highway shop and other authorized capital improvement plan projects. The Notes are general obligations of the County, and all the taxable property in the County is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

**DATE OF NOTES:** July 2, 2025

**MATURITY:** June 1 as follows:

| <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> |
|-------------|----------------|-------------|----------------|-------------|----------------|
| 2026        | \$100,000      | 2033        | \$500,000      | 2040        | \$400,000      |
| 2027        | 350,000        | 2034        | 500,000        | 2041        | 300,000        |
| 2028        | 300,000        | 2035        | 500,000        | 2042        | 300,000        |
| 2029        | 300,000        | 2036        | 500,000        | 2043        | 300,000        |
| 2030        | 300,000        | 2037        | 450,000        | 2044        | 300,000        |
| 2031        | 500,000        | 2038        | 400,000        | 2045        | 300,000        |
| 2032        | 500,000        | 2039        | 400,000        |             |                |

**\*MATURITY ADJUSTMENTS:** The County reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

**TERM BONDS:** See "Term Bond Option" herein.

**INTEREST:** June 1, 2026 and semiannually thereafter.

**OPTIONAL REDEMPTION:** Notes maturing on June 1, 2034 and thereafter are subject to call for prior optional redemption on June 1, 2033 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

**MINIMUM BID:** \$7,406,250.

**MAXIMUM BID:** \$8,250,000.

**GOOD FAITH DEPOSIT:** A good faith deposit in the amount of \$150,000 shall be made by the winning bidder by wire transfer of funds.

**PAYING AGENT:** U.S. Bank Trust Company, National Association.

**BOND COUNSEL & DISCLOSURE COUNSEL:** Quarles & Brady LLP.

**MUNICIPAL ADVISOR:** Ehlers and Associates, Inc.

**BOOK-ENTRY-ONLY:** See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.



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## REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the County to give any information or to make any representation other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the County. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Official Statement is not to be construed as a contract with the Underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the County and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the County with respect to the Notes. Compensation of Ehlers and Associates, Inc., payable entirely by the County, is contingent upon the delivery of the Notes.

## COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

**Preliminary Official Statement:** This Preliminary Official Statement was prepared for the County for dissemination to potential investors. Its primary purpose is to disclose information regarding the Notes to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

**Review Period:** This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

**Final Official Statement:** Copies of the Final Official Statement will be delivered to the Underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

**Continuing Disclosure:** Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the County is required to comply with the Rule.

## CLOSING CERTIFICATES

Upon delivery of the Notes, the Underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Notes and all times subsequent thereto up to and including the time of the delivery of the Notes, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Notes; (3) a certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Notes, (b) neither the corporate existence or boundaries of the County nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the County which indicates that the County does not expect to use the proceeds of the Notes in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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## **ST. CROIX COUNTY BOARD OF SUPERVISORS**

|                   |                         | <u>Term Expires</u> |
|-------------------|-------------------------|---------------------|
| Bob Long          | County Board Chair      | April 2026          |
| Bob Feidler       | County Board Vice Chair | April 2026          |
| Paul Adams        | County Supervisor       | April 2026          |
| Shawn Anderson    | County Supervisor       | April 2026          |
| Mike Barcalow     | County Supervisor       | April 2026          |
| Paul Berning      | County Supervisor       | April 2026          |
| Mark Carlson      | County Supervisor       | April 2026          |
| Scott Counter     | County Supervisor       | April 2026          |
| Daniel Hansen     | County Supervisor       | April 2026          |
| Cathy Leaf        | County Supervisor       | April 2026          |
| Lisa Lind         | County Supervisor       | April 2026          |
| Dave Ostness      | County Supervisor       | April 2026          |
| Tim Ramberg       | County Supervisor       | April 2026          |
| Kerry Reis        | County Supervisor       | April 2026          |
| Ryan Sherley      | County Supervisor       | April 2026          |
| Bob Swanepoel     | County Supervisor       | April 2026          |
| Greg Tellijohn    | County Supervisor       | April 2026          |
| Jerry Van Someren | County Supervisor       | April 2026          |
| Vacant*           | County Supervisor       | April 2026          |

\* The County Board expects to fill this vacancy at its August 5, 2025 meeting.

### **ADMINISTRATION**

Ken Witt, County Administrator  
Dustin Hawkins, Finance Director  
Christine Hines, County Clerk  
Denise Anderson, County Treasurer  
Heather Amos, Corporation Counsel

### **PROFESSIONAL SERVICES**

Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin

Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota  
(Other office located in Waukesha, Wisconsin)

## INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding St. Croix County, Wisconsin (the "County") and the issuance of its \$7,500,000\* General Obligation Promissory Notes, Series 2025A (the "Notes"). Any descriptions or summaries of the Notes, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Notes to be included in the resolution awarding the sale of the Notes ("Award Resolution") to be adopted by the Board of Supervisors on June 3, 2025.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, Minnesota, (651) 697-8500, the County's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at [www.ehlers-inc.com](http://www.ehlers-inc.com) by connecting to the Bond Sales link and following the directions at the top of the site.

## THE NOTES

### GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of July 2, 2025. The Notes will mature on June 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on June 1 and December 1 of each year, commencing June 1, 2026, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Notes of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Notes are held under the book-entry system, beneficial ownership interests in the Notes may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Notes shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Notes shall be payable as provided in the Award Resolution.

The County has selected U.S. Bank Trust Company, National Association, St. Paul, Minnesota, to act as paying agent (the "Paying Agent"). The County will pay the charges for Paying Agent services. The County reserves the right to remove the Paying Agent and to appoint a successor.

\*Preliminary, subject to change.

**OPTIONAL REDEMPTION**

At the option of the County, the Notes maturing on or after June 1, 2034 shall be subject to optional redemption prior to maturity on June 1, 2033 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the County. If only part of the Notes having a common maturity date are called for redemption, then the County or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

**AUTHORITY; PURPOSE**

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the County, for public purposes, including the construction of a satellite highway shop and other authorized capital improvement plan projects.

**ESTIMATED SOURCES AND USES\***

|                                  |                    |                    |
|----------------------------------|--------------------|--------------------|
| <b>Sources</b>                   |                    |                    |
| Par Amount of Notes              | <u>\$7,500,000</u> |                    |
| <b>Total Sources</b>             |                    | <b>\$7,500,000</b> |
| <b>Uses</b>                      |                    |                    |
| Estimated Underwriter's Discount | \$93,750           |                    |
| Costs of Issuance                | 114,700            |                    |
| Deposit to Construction Fund     | <u>7,291,550</u>   |                    |
| <b>Total Uses</b>                |                    | <b>\$7,500,000</b> |

\*Preliminary, subject to change.

**SECURITY**

For the prompt payment of the Notes with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the County will be irrevocably pledged. The County will levy a direct, annual, irrepealable tax on all taxable property in the County sufficient to pay the interest on the Notes when it becomes due and also to pay and discharge the principal on the Notes at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

## **RATING**

General obligation debt of the County is currently rated "Aa1" by Moody's Investors Service, Inc. ("Moody's").

The County has requested a rating on the Notes from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the County nor the underwriter undertake responsibility to bring to the attention of the owner of the Notes any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

## **CONTINUING DISCLOSURE**

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Notes, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the County shall agree to provide certain information to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

On the date of issue and delivery of the Notes, the County shall execute and deliver a Continuing Disclosure Certificate, under which the County will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the County are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the County to comply with the Disclosure Undertaking will not constitute an event of default on the Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

Certain prior continuing disclosure undertakings entered into by the County included language stating that an Annual Report including the County's audited financial statements and operating data would be filed "as soon as available but not later than 12 months after the end of each fiscal year." Although the County did not always file such information as soon as available, such filings were timely made within the required twelve (12) month timeframe as provided for in each undertaking. Except to the extent that the preceding is deemed to be material, the County believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The County has reviewed its continuing disclosure responsibilities, including the two new material events, to help ensure compliance in the future. Ehlers is currently engaged as dissemination agent for the County.

## LEGAL MATTERS

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the County ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the County; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B).

Quarles & Brady LLP has also been retained by the County to serve as Disclosure Counsel to the County with respect to the Notes. Although, as Disclosure Counsel to the County, Quarles & Brady LLP has assisted the County with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in the Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

## TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Notes under existing law substantially in the following form:

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The County has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the County comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes."

The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Notes. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Notes may be enacted. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.



## ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Notes is less than the principal amount payable at maturity, such Notes ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

## **BOND PREMIUM**

To the extent that the initial offering price of certain of the Notes is more than the principal amount payable at maturity, such Notes ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

## **QUALIFIED TAX-EXEMPT OBLIGATIONS**

The Notes shall be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

## **MUNICIPAL ADVISOR**

Ehlers has served as municipal advisor to the County in connection with the issuance of the Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

## **MUNICIPAL ADVISOR AFFILIATED COMPANIES**

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the County, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the County under an agreement separate from Ehlers.

## INDEPENDENT AUDITORS

The basic financial statements of the County for the fiscal year ended December 31, 2023 have been audited by CliftonLarsonAllen LLP, Hudson, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

## RISK FACTORS

The following is a description of possible risks to holders of the Notes without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here. Potential investors should read this Official Statement, including the appendices, in its entirety.

**Taxes:** The Notes are general obligations of the County, the ultimate payment of which rests in the County's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the County in time to pay debt service when due.

**State Actions:** Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the County, the taxable value of property within the County, and the ability of the County to levy and collect property taxes.

**Future Changes in Law:** Various State and federal laws, regulations and constitutional provisions apply to the County and to the Notes. The County can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the County or the taxing authority of the County.

**Property Tax Collection:** Although the levying of the property tax for the payment of principal and interest on the Notes is irrevocable, and the County Clerk is mandated to carry the tax onto the rolls, the levy could be inadvertently omitted, causing a delay in payments when due. Property tax statements are distributed to taxpayers by the town, village and city clerks in December of the levy year. Current property tax settlement law directs counties to settle in full for all taxes levied by cities, villages, towns and school districts on or about August 20 of the collection year.

**Ratings; Interest Rates:** In the future, the County's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Notes for resale prior to maturity.

**Tax Exemption:** If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Notes may fall for purposes of resale. Noncompliance by the County with the covenants in the Award Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Notes in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

**Continuing Disclosure:** A failure by the County to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Notes. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

**Book-Entry-Only System:** The timely credit of payments for principal and interest on the Notes to the accounts of the Beneficial Owners of the Notes may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the County to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Notes.

**Depository Risk:** Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

**Economy:** A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the County, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the County may have an adverse effect on the value of the Notes in the secondary market.

**Secondary Market for the Notes:** No assurance can be given that a secondary market will develop for the purchase and sale of the Notes or, if a secondary market exists, that such Notes can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Notes at the request of the owners thereof. Prices of the Notes as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Notes. Such market value could be substantially different from the original purchase price.

**Bankruptcy:** The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Notes will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

**Cybersecurity:** The County is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the County will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

# **VALUATIONS**

## **WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES**

### **Equalized Value**

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

### **Assessed Value**

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

## CURRENT PROPERTY VALUATIONS

|   |                  |
|---|------------------|
| 2024 Equalized Value                                    | \$17,607,947,400 |
| 2024 Equalized Value Reduced by Tax Increment Valuation | \$17,228,113,500 |
| 2024 Assessed Value                                     | \$14,449,518,950 |

## 2024 EQUALIZED VALUE BY CLASSIFICATION

|                                | 2024<br>Equalized Value <sup>1</sup> | Percent of Total<br>Equalized Value |
|--------------------------------|--------------------------------------|-------------------------------------|
| Residential                    | \$14,164,793,000                     | 80.445%                             |
| Commercial                     | 2,563,284,300                        | 14.558%                             |
| Manufacturing                  | 350,785,000                          | 1.992%                              |
| Agricultural                   | 59,179,500                           | 0.336%                              |
| Undeveloped                    | 48,230,700                           | 0.274%                              |
| Ag Forest                      | 71,436,200                           | 0.406%                              |
| Forest                         | 99,583,900                           | 0.566%                              |
| Other                          | 250,654,800                          | 1.424%                              |
| Personal Property <sup>2</sup> | 0                                    | 0.000%                              |
| Total                          | <u>\$17,607,947,400</u>              | <u>100.000%</u>                     |

## TREND OF VALUATIONS

| Year | Assessed<br>Value | Equalized<br>Value Reduced by<br>Tax Increment<br>Valuation | Equalized<br>Value <sup>1</sup> | Percent<br>Increase/Decrease<br>in Equalized Value |
|------|-------------------|---|---------------------------------|--|
| 2020 | \$9,980,478,808   | \$11,199,079,100  | \$11,534,114,600                | 8.60%  |
| 2021 | 11,094,965,262    | 12,106,961,200  | 12,439,288,300                  | 7.85%  |
| 2022 | 12,687,532,063    | 14,165,354,900  | 14,552,607,100                  | 16.99%   |
| 2023 | 13,949,833,997    | 15,960,844,400  | 16,384,537,800                  | 12.59%   |
| 2024 | 14,449,518,950    | 17,228,113,500  | 17,607,947,400                  | 7.47%  |

**Source:** Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

<sup>1</sup> Includes tax increment valuation.

<sup>2</sup> Personal property has been exempted from taxation as of January 1, 2024 (see "TAX LEVIES AND COLLECTIONS" herein).

## LARGER TAXPAYERS

| Taxpayer   | Type of Business/Property                              | 2024<br>Equalized<br>Value <sup>1</sup> | Percent of<br>County's Total<br>Equalized Value |
|--|--|---|---|
| Hanley Road LLC                                  | Commercial Packaging                                   | \$65,397,039                            | 0.37%   |
| HPIV Minneapolis LLC                             | Medical Facility                                       | 61,020,820                              | 0.35%   |
| Paul L. Anderson Properties LLC                  | Rental Properties                                      | 49,454,079                              | 0.28%   |
| Phillips Medisize LLC                            | Contract Development and<br>Manufacturing Organization | 44,748,382                              | 0.25%   |
| Hunt Electric Corporation                        | Manufacturing  | 29,463,991                              | 0.17%   |
| T-Buck Properties                                | Property Management Company                            | 27,852,992                              | 0.16%   |
| General Motors LLC                               | Automobile Facility                                    | 27,549,554                              | 0.16%   |
| Bella Rose Apartments LLC                        | Rental Property  | 21,163,684                              | 0.12%   |
| Exit 10 Properties LLC                           | Warehouse  | 20,969,232                              | 0.12%   |
| Tyler Carlisle Properties LLC                    | Rental Properties                                      | <u>20,192,791</u>                       | <u>0.11%</u>                                    |
| Total  |  | \$367,812,564                           | 2.09%   |
| County's Total 2024 Equalized Value <sup>2</sup> |  | \$17,607,947,400                        |   |

**Source:** The County.

## DEBT

### DIRECT DEBT<sup>3</sup>

#### General Obligation Debt (see schedules following)

|   |                              |
|---|------------------------------|
| Total General Obligation Debt (includes the Notes)* | <u><u>\$ 114,934,000</u></u> |
|---|------------------------------|

### DEBT PAYMENT HISTORY

The County has no record of default in the payment of principal and interest on its debt.

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<sup>1</sup> Calculated by dividing the 2024 Assessed Values by the 2024 Aggregate Ratio of assessment for the County.

<sup>2</sup> Includes tax increment valuation.

<sup>3</sup> Outstanding debt is as of the dated date of the Notes.

**FUTURE FINANCING**

The County has no current plans for additional financing in the next 12 months.

**DEBT LIMIT**

The constitutional general obligation debt limit for Wisconsin municipalities, including cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

|                                |                             |
|--------------------------------|-----------------------------|
| Equalized Value                | \$17,607,947,400            |
| Multiply by 5%                 | <u>0.05</u>                 |
| Statutory Debt Limit           | \$880,397,370               |
| Less: General Obligation Debt* | <u>(114,934,000)</u>        |
| Unused Debt Limit*             | <u><u>\$765,463,370</u></u> |

\*Preliminary, subject to change.



**St. Croix County, Wisconsin**  
**Schedule of Bonded Indebtedness**  
**General Obligation Debt Secured by Taxes**  
**(As of 07/02/2025)**

|                                 | Health Center Bonds<br>Series 2015A |                 | Health Center Bonds<br>Series 2016A |                 | Highway Maintenance<br>Facility Bonds<br>Series 2018A |                 | Capital Improvement Bonds<br>Series 2019A |                 | Promissory Note<br>Series 2020A |                 |
|---------------------------------|-------------------------------------|-----------------|-------------------------------------|-----------------|---|-----------------|---|-----------------|---------------------------------|-----------------|
| <b>Dated</b>                    | 09/01/2015                          |                 | 03/02/2016                          |                 | 03/08/2018  |                 | 12/04/2019                                |                 | 03/11/2020                      |                 |
| <b>Amount</b>                   | \$10,000,000                        |                 | \$10,000,000                        |                 | \$27,000,000  |                 | \$8,025,000                               |                 | \$2,444,000                     |                 |
| <b>Maturity</b>                 | 04/01                               |                 | 04/01                               |                 | 03/01   |                 | 04/01                                     |                 | 03/15                           |                 |
| <b>Calendar<br/>Year Ending</b> | <b>Principal</b>                    | <b>Interest</b> | <b>Principal</b>                    | <b>Interest</b> | <b>Principal</b>                                      | <b>Interest</b> | <b>Principal</b>                          | <b>Interest</b> | <b>Principal</b>                | <b>Interest</b> |
| <b>2025</b>                     | 0                                   | 87,465          | 0                                   | 95,073          | 0   | 319,560         | 0   | 56,056          | 0                               | 3,413           |
| <b>2026</b>                     | 515,000                             | 168,493         | 735,000                             | 182,795         | 1,260,000   | 607,620         | 365,000                                   | 106,638         | 424,000                         | 3,413           |
| <b>2027</b>                     | 530,000                             | 155,430         | 755,000                             | 167,895         | 1,295,000   | 559,285         | 375,000                                   | 95,538          |                                 |                 |
| <b>2028</b>                     | 545,000                             | 141,311         | 775,000                             | 152,595         | 1,335,000   | 524,428         | 375,000                                   | 84,288          |                                 |                 |
| <b>2029</b>                     | 565,000                             | 126,049         | 800,000                             | 136,845         | 1,375,000   | 486,468         | 305,000                                   | 74,088          |                                 |                 |
| <b>2030</b>                     | 580,000                             | 109,580         | 820,000                             | 120,030         | 1,420,000   | 445,230         | 290,000                                   | 66,613          |                                 |                 |
| <b>2031</b>                     | 600,000                             | 91,880          | 840,000                             | 101,765         | 1,465,000   | 401,589         | 290,000                                   | 60,813          |                                 |                 |
| <b>2032</b>                     | 615,000                             | 73,040          | 865,000                             | 81,935          | 1,510,000   | 355,843         | 285,000                                   | 55,063          |                                 |                 |
| <b>2033</b>                     | 635,000                             | 53,040          | 890,000                             | 60,430          | 1,560,000   | 307,868         | 285,000                                   | 49,149          |                                 |                 |
| <b>2034</b>                     | 660,000                             | 32,320          | 915,000                             | 37,410          | 1,615,000   | 257,458         | 290,000                                   | 42,895          |                                 |                 |
| <b>2035</b>                     | 680,000                             | 10,880          | 945,000                             | 12,758          | 1,670,000   | 204,480         | 280,000                                   | 36,555          |                                 |                 |
| <b>2036</b>                     |                                     |                 |                                     |                 | 1,730,000   | 148,798         | 380,000                                   | 29,035          |                                 |                 |
| <b>2037</b>                     |                                     |                 |                                     |                 | 1,790,000   | 90,270          | 380,000                                   | 20,200          |                                 |                 |
| <b>2038</b>                     |                                     |                 |                                     |                 | 1,855,000   | 30,144          | 380,000                                   | 11,175          |                                 |                 |
| <b>2039</b>                     |                                     |                 |                                     |                 |   |                 | 270,000                                   | 3,308           |                                 |                 |
| <b>2040</b>                     |                                     |                 |                                     |                 |   |                 |   |                 |                                 |                 |
| <b>2041</b>                     |                                     |                 |                                     |                 |   |                 |   |                 |                                 |                 |
| <b>2042</b>                     |                                     |                 |                                     |                 |   |                 |   |                 |                                 |                 |
| <b>2043</b>                     |                                     |                 |                                     |                 |   |                 |   |                 |                                 |                 |
| <b>2044</b>                     |                                     |                 |                                     |                 |   |                 |   |                 |                                 |                 |
| <b>2045</b>                     |                                     |                 |                                     |                 |   |                 |   |                 |                                 |                 |
|                                 | 5,925,000                           | 1,049,488       | 8,340,000                           | 1,149,530       | 19,880,000  | 4,739,038       | 4,550,000                                 | 791,410         | 424,000                         | 6,826           |

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**St. Croix County, Wisconsin**  
**Schedule of Bonded Indebtedness continued**  
**General Obligation Debt Secured by Taxes**  
**(As of 07/02/2025)**

| Government Center<br>Building Bonds<br>Series 2022A |                            |            | Promissory Notes<br>Series 2025A |                       |                 |                |             |                          |         |                            |
|---|----------------------------|------------|----------------------------------|-----------------------|-----------------|----------------|-------------|--------------------------|---------|----------------------------|
| Dated<br>Amount                                     | 04/19/2022<br>\$80,000,000 |            | 07/02/2025<br>\$7,500,000*       |                       |                 |                |             |                          |         |                            |
| Maturity  | 03/01                      |            | 06/01                            |                       |                 |                |             |                          |         |                            |
|   |                            |            |                                  |                       |                 |                |             |                          |         |                            |
| Calendar<br>Year Ending                             | Principal                  | Interest   | Principal                        | Estimated<br>Interest | Total Principal | Total Interest | Total P & I | Principal<br>Outstanding | % Paid  | Calendar<br>Year<br>Ending |
| 2025  | 0                          | 1,211,016  | 0                                | 0                     | 0               | 1,772,583      | 1,772,583   | 114,934,000              | .00%    | 2025                       |
| 2026  | 4,045,000                  | 2,341,131  | 100,000                          | 428,967               | 7,444,000       | 3,839,057      | 11,283,057  | 107,490,000              | 6.48%   | 2026                       |
| 2027  | 4,020,000                  | 2,179,831  | 350,000                          | 302,515               | 7,325,000       | 3,460,494      | 10,785,494  | 100,165,000              | 12.85%  | 2027                       |
| 2028  | 4,145,000                  | 2,016,531  | 300,000                          | 290,490               | 7,475,000       | 3,209,643      | 10,684,643  | 92,690,000               | 19.35%  | 2028                       |
| 2029  | 3,865,000                  | 1,856,331  | 300,000                          | 279,315               | 7,210,000       | 2,959,095      | 10,169,095  | 85,480,000               | 25.63%  | 2029                       |
| 2030  | 4,000,000                  | 1,679,031  | 300,000                          | 267,990               | 7,410,000       | 2,688,474      | 10,098,474  | 78,070,000               | 32.07%  | 2030                       |
| 2031  | 3,625,000                  | 1,506,531  | 500,000                          | 252,665               | 7,320,000       | 2,415,243      | 9,735,243   | 70,750,000               | 38.44%  | 2031                       |
| 2032  | 3,725,000                  | 1,359,531  | 500,000                          | 233,290               | 7,500,000       | 2,158,701      | 9,658,701   | 63,250,000               | 44.97%  | 2032                       |
| 2033  | 3,705,000                  | 1,229,456  | 500,000                          | 213,665               | 7,575,000       | 1,913,608      | 9,488,608   | 55,675,000               | 51.56%  | 2033                       |
| 2034  | 3,815,000                  | 1,116,656  | 500,000                          | 193,790               | 7,795,000       | 1,680,529      | 9,475,529   | 47,880,000               | 58.34%  | 2034                       |
| 2035  | 3,925,000                  | 1,000,556  | 500,000                          | 173,540               | 8,000,000       | 1,438,769      | 9,438,769   | 39,880,000               | 65.30%  | 2035                       |
| 2036  | 3,985,000                  | 879,416    | 500,000                          | 152,790               | 6,595,000       | 1,210,038      | 7,805,038   | 33,285,000               | 71.04%  | 2036                       |
| 2037  | 4,090,000                  | 753,244    | 450,000                          | 132,615               | 6,710,000       | 996,329        | 7,706,329   | 26,575,000               | 76.88%  | 2037                       |
| 2038  | 4,150,000                  | 624,494    | 400,000                          | 114,220               | 6,785,000       | 780,033        | 7,565,033   | 19,790,000               | 82.78%  | 2038                       |
| 2039  | 4,205,000                  | 491,319    | 400,000                          | 96,660                | 4,875,000       | 591,286        | 5,466,286   | 14,915,000               | 87.02%  | 2039                       |
| 2040  | 4,265,000                  | 353,681    | 400,000                          | 78,860                | 4,665,000       | 432,541        | 5,097,541   | 10,250,000               | 91.08%  | 2040                       |
| 2041  | 4,320,000                  | 214,175    | 300,000                          | 63,090                | 4,620,000       | 277,265        | 4,897,265   | 5,630,000                | 95.10%  | 2041                       |
| 2042  | 4,430,000                  | 71,988     | 300,000                          | 49,380                | 4,730,000       | 121,368        | 4,851,368   | 900,000                  | 99.22%  | 2042                       |
| 2043  |                            |            | 300,000                          | 35,490                | 300,000         | 35,490         | 335,490     | 600,000                  | 99.48%  | 2043                       |
| 2044  |                            |            | 300,000                          | 21,420                | 300,000         | 21,420         | 321,420     | 300,000                  | 99.74%  | 2044                       |
| 2045  |                            |            | 300,000                          | 7,170                 | 300,000         | 7,170          | 307,170     | 0                        | 100.00% | 2045                       |
|   | 68,315,000                 | 20,884,919 | 7,500,000                        | 3,387,922             | 114,934,000     | 32,009,133     | 146,943,133 |                          |         |                            |

\* Preliminary, subject to change.

## UNDERLYING DEBT<sup>1</sup>

| Taxing District | 2024<br>Equalized<br>Value <sup>2</sup> | % In<br>County | Total<br>G.O. Debt <sup>3</sup> | County's<br>Proportionate<br>Share |
|-----------------|---|----------------|---------------------------------|------------------------------------|
| Towns of:       |   |                |                                 |                                    |
| Baldwin         | \$171,983,400                           | 100.0000%      | \$280,692                       | \$280,692                          |
| Eau Galle       | 193,478,200                             | 100.0000%      | 150,000 <sup>4</sup>            | 150,000                            |
| Emerald         | 117,027,500                             | 100.0000%      | 40,000 <sup>4</sup>             | 40,000                             |
| Forest          | 83,920,200                              | 100.0000%      | 1,066,577 <sup>4</sup>          | 1,066,577                          |
| Glenwood        | 103,534,000                             | 100.0000%      | 245,484 <sup>4</sup>            | 245,484                            |
| Hudson          | 1,873,671,000                           | 100.0000%      | 1,981,000                       | 1,981,000                          |
| Saint Joseph    | 1,223,377,600                           | 100.0000%      | 6,613,207                       | 6,613,207                          |
| Springfield     | 135,615,300                             | 100.0000%      | 234,771 <sup>4</sup>            | 234,771                            |
| Stanton         | 137,104,400                             | 100.0000%      | 9,863 <sup>4</sup>              | 9,863                              |
| Star Prairie    | 636,215,200                             | 100.0000%      | 145,663                         | 145,663                            |
| Villages of:    |   |                |                                 |                                    |
| Baldwin         | 560,559,900                             | 100.0000%      | 11,145,539                      | 11,145,539                         |
| Deer Park       | 21,815,900                              | 100.0000%      | 857,857                         | 857,857                            |
| Hammond         | 224,409,800                             | 100.0000%      | 3,013,445                       | 3,013,445                          |
| North Hudson    | 670,890,800                             | 100.0000%      | 2,115,000                       | 2,115,000                          |
| Roberts         | 286,661,800                             | 100.0000%      | 2,605,847                       | 2,605,847                          |
| Somerset        | 486,532,400                             | 100.0000%      | 8,110,318                       | 8,110,318                          |
| Star Prairie    | 68,809,100                              | 100.0000%      | 275,000                         | 275,000                            |
| Spring Valley   | 120,382,500                             | 1.7868%        | 445,173                         | 7,954                              |
| Wilson          | 19,678,200                              | 100.0000%      | 26,000 <sup>4</sup>             | 26,000                             |
| Woodville       | 160,207,500                             | 100.0000%      | 3,736,311                       | 3,736,311                          |

Continued on next page

<sup>1</sup> Underlying debt is as of the dated date of the Notes. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

<sup>2</sup> Includes tax increment valuation.

<sup>3</sup> Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

<sup>4</sup> As of December 31, 2023.

**UNDERLYING DEBT Continued<sup>1</sup>**

| <b>Taxing District</b>                  | <b>2024<br/>Equalized<br/>Value<sup>2</sup></b> | <b>% In<br/>County</b> | <b>Total<br/>G.O. Debt<sup>3</sup></b> | <b>County's<br/>Proportionate<br/>Share</b> |
|---|---|------------------------|--|---|
| Cities of:                              |   |                        |  |   |
| Glenwood City                           | 109,815,700                                     | 100.0000%              | 2,042,000                              | 2,042,000                                   |
| Hudson                                  | 3,366,869,100                                   | 100.0000%              | 43,285,000 <sup>4</sup>                | 43,285,000                                  |
| New Richmond                            | 1,530,852,600                                   | 100.0000%              | 22,031,688                             | 22,031,688                                  |
| River Falls                             | 1,890,671,200                                   | 39.8222%               | 37,139,142                             | 14,789,623                                  |
| School Districts of:                    |   |                        |  |   |
| Amery                                   | \$1,753,689,175                                 | 2.9377%                | \$44,142,728                           | \$1,296,781                                 |
| Baldwin-Woodville                       | 1,311,271,345                                   | 100.0000%              | 24,889,795                             | 24,889,795                                  |
| Boyceville Community                    | 564,419,098                                     | 0.3196%                | 18,258,452                             | 58,340                                      |
| Clear Lake                              | 416,975,280                                     | 17.6818%               | 6,610,000                              | 1,168,767                                   |
| Glenwood City                           | 471,695,397                                     | 85.3361%               | 6,030,000                              | 5,145,767                                   |
| Hudson                                  | 7,444,887,780                                   | 100.0000%              | 74,059,092                             | 74,059,092                                  |
| Menomonie Area                          | 3,288,391,175                                   | 0.0907%                | 15,596,000                             | 14,146                                      |
| New Richmond                            | 3,098,193,949                                   | 100.0000%              | 120,745,000                            | 120,745,000                                 |
| Osceola                                 | 1,737,243,967                                   | 5.7744%                | 4,325,000                              | 249,743                                     |
| River Falls                             | 3,832,543,400                                   | 49.5107%               | 66,445,000                             | 32,897,385                                  |
| Saint Croix Central                     | 1,332,048,884                                   | 100.0000%              | 39,076,000                             | 39,076,000                                  |
| Somerset                                | 1,721,407,016                                   | 100.0000%              | 46,370,000                             | 46,370,000                                  |
| Spring Valley                           | 531,178,873                                     | 31.9566%               | 15,850,000                             | 5,065,121                                   |
| Technical College Districts:            |   |                        |  |   |
| Chippewa Valley                         | 43,884,602,928                                  | 4.7107%                | 87,020,000                             | 4,099,251                                   |
| Northwood                               | 61,769,000,688                                  | 25.1594%               | 38,575,000                             | 9,705,239                                   |
| County's Share of Total Underlying Debt |   |                        |  | <u><u>\$489,649,267</u></u>                 |

<sup>1</sup> Underlying debt is as of the dated date of the Notes. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

<sup>2</sup> Includes tax increment valuation.

<sup>3</sup> Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

<sup>4</sup> Outstanding debt excludes the approximately \$9,990,000 general obligation debt expected to be issued on June 30, 2025.

## DEBT RATIOS

|   | <b>G.O. Debt</b>   | <b>Debt/Equalized Value<br/>\$17,607,947,400</b> | <b>Debt/ Per Capita<br/>98,849<sup>1</sup></b> |
|---|--------------------|--|--|
| Total General Obligation Debt*          | \$114,934,000      | 0.65%  | \$1,162.72                                     |
| County's Share of Total Underlying Debt | <u>489,649,267</u> | <u>2.78%</u>                                     | <u>4,953.51</u>                                |
| Total*                                  | \$604,583,267      | 3.43%  | \$6,116.23                                     |

\*Preliminary, subject to change.

## TAX LEVIES AND COLLECTIONS

### TAX LEVIES AND COLLECTIONS

| <b>Levy/<br/>Collect</b> | <b>Levy for County<br/>Purposes Only</b> | <b>Total Levy<br/>for All<br/>Units in County</b> | <b>% Collected<br/>to Date</b> | <b>Levy/Equalized Value<br/>Reduced by Tax<br/>Increment Valuation<br/>in Dollars per \$1,000</b> |
|--------------------------|--|---|--------------------------------|---|
| 2020/21                  | \$37,188,465                             | \$190,448,387                                     | 100.00%                        | \$3.32  |
| 2021/22                  | 37,721,605                               | 195,219,303                                       | 99.98%                         | 3.12  |
| 2022/23                  | 43,683,274                               | 210,863,507                                       | 99.91%                         | 3.08  |
| 2023/24                  | 45,100,429                               | 224,114,838                                       | 99.73%                         | 2.83  |
| 2024/25                  | 46,336,847                               | 237,283,886                                       | In progress                    | 2.69  |

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required.

<sup>1</sup> Estimated 2024 population.

On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Previously, personal property taxes were required to be paid to the town, city or village treasurer in full by January 31. Uncollected personal property taxes owed by an entity that had ceased operations or filed a petition for bankruptcy, or were due on personal property that had been removed from the next assessment roll were formerly collected from each taxing entity in the year following the levy year. The personal property tax had been repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax has been replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

## PROPERTY TAX RATES OF LARGER MUNICIPALITIES WITHIN THE COUNTY

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

| <b>Year Levied/<br/>Year Collected</b> | <b>Schools<sup>1</sup></b> | <b>County</b> | <b>Local</b> | <b>Total</b> |
|--|----------------------------|---------------|--------------|--------------|
| <b><i>City of Hudson</i></b>           |                            |               |              |              |
| 2020/21                                | \$10.37                    | \$3.18        | \$4.07       | \$17.62      |
| 2021/22                                | 10.25                      | 3.02          | 4.13         | 17.40        |
| 2022/23                                | 9.11                       | 3.00          | 3.58         | 15.69        |
| 2023/24                                | 8.49                       | 2.71          | 3.55         | 14.75        |
| 2024/25                                | 8.89                       | 2.71          | 3.93         | 15.53        |
| <b><i>City of New Richmond</i></b>     |                            |               |              |              |
| 2020/21                                | \$9.34                     | \$3.18        | \$6.18       | \$18.70      |
| 2021/22                                | 8.47                       | 3.02          | 6.04         | 17.53        |
| 2022/23                                | 8.33                       | 3.00          | 5.59         | 16.92        |
| 2023/24                                | 8.31                       | 2.71          | 5.11         | 16.13        |
| 2024/25                                | 8.65                       | 2.58          | 4.90         | 16.13        |

**Source:** Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

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<sup>1</sup> The Schools tax rate reflects the composite rate of all local school districts and the technical college district.

## **DEBT ISSUANCE CONDITIONS FOR COUNTIES**

Wisconsin counties may not issue general obligation bonds or promissory notes unless the county qualifies for one of the exceptions allowed under the statute, as described below:

General obligation bonds or notes can be issued by a county only if one of the following conditions is met: (a) the bonds or notes are approved at a referendum; (b) the county board adopts a resolution that sets forth its reasonable expectation that the issuance will not cause the county to exceed its debt levy rate limit; (c) the debt is issued for regional projects; (d) the debt is issued to refund existing debt or (e) the resolution authorizing the debt is approved by a vote of at least 3/4 of the members elect of the county board. In addition, counties generally are prohibited from using the proceeds of general obligation bonds or notes to fund the operating expenses of the general fund of the county or to fund the operating expenses of any special revenue fund of the county that is supported by property taxes, although this prohibition does not apply to notes issued to pay unfunded prior service liability contributions.

An Initial Resolution authorizing the Notes was adopted by a vote of at least 3/4 of the members of the members-elect of the County Board at a meeting on December 3, 2024.

## **LEVY LIMITS**

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent; for a tax incremental district created after December 31, 2024, the valuation factor includes 90% of the equalized value increase due to new construction that is located in a tax incremental district, but does not include any improvements removed in a tax incremental district). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by the Wisconsin Department of Revenue ("DOR") call into question the availability of this exception if the revenue shortfall is planned or ongoing. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

With respect to general obligation debt service, the following provisions are made:

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Notes were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Notes.



**REVENUE FROM THE STATE**

In addition to local property taxes described above, a number of state programs exist which provide revenue to the County. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the County that can be used for any public purpose. Chapter 79, Wis. Stats., includes other revenue sharing programs, which each have their own requirements. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the County beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2024, the County received approximately \$1,328,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately \$586,000 received in 2023. The County is currently estimated to receive approximately \$1,351,000 in shared revenue under Chapter 79, Wis. Stats. in 2025. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

**SALES TAX COLLECTIONS**

Under Wisconsin Statutes, counties may charge a one-half of one percent (0.5%) sales tax. Collection and administrative functions are performed by the State. The County's historic sales tax revenues are shown in the table below.

| Sales Tax Receipts  |             |
|---------------------|-------------|
| Year                | Total       |
| 2025 <sup>(1)</sup> | \$3,952,242 |
| 2024                | 12,373,990  |
| 2023                | 12,408,987  |
| 2022                | 11,899,287  |
| 2021                | 10,818,014  |
| 2020                | 9,759,979   |

<sup>(1)</sup> Through April.

**Source:** State of Wisconsin Department of Revenue.

**THE ISSUER**

**COUNTY GOVERNMENT**

The County was organized in 1849 and is governed by a 19-member Board of Supervisors (with one vacancy currently). All are elected to two-year terms. Current terms all expire in April 2026. The appointed County Administrator and Finance Director and elected County Clerk and County Treasurer are responsible for administrative details and financial records.

## EMPLOYEES; PENSIONS

The County has 611 full-time, 160 part-time and eight (8) seasonal employees. All eligible employees in the County are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

County employees are generally required to contribute half of the actuarially determined contributions, and the County generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2021, the fiscal year ended December 31, 2022 and the fiscal year ended December 31, 2023 ("Fiscal Year 2023"), the County's portion of contributions to WRS (not including any employee contributions) totaled \$2,646,480, \$2,652,232, and \$3,028,484, respectively.

Governmental Accounting Standards Board Statement No. 68 ("GASB 68") requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2022, the total pension liability of the WRS was calculated as \$123.7 billion and the fiduciary net position of the WRS was calculated as \$118.4 billion, resulting in a net pension liability of \$5.3 billion. As of December 31, 2023, the total pension liability of the WRS was calculated as \$129.2 billion and the fiduciary net position of the WRS was calculated as \$127.7 billion, resulting in a net pension liability of \$1.5 billion. Accordingly, the County will continue to report a liability for its proportionate share of the net pension liability of the WRS in its audited financial statements for the year ended December 31, 2024.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2023, the County reported a liability of \$12,146,382 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2022 based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. The County's proportion was 0.22927637% of the aggregate WRS net pension liability as of December 31, 2022.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 5.A. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

## Recognized and Certified Bargaining Units

All eligible County personnel are covered by the Municipal Employment Relations Act (MERA) of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the County is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the County is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless County were to seek approval for a higher increase through a referendum). Ultimately, the County can unilaterally implement the wages for a collective bargaining unit.<sup>1</sup>

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the County, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining unit represents employees of the County:

| <b>Bargaining Unit</b>                    | <b>Expiration Date of Current Contract</b> |
|---|--|
| Wisconsin Professional Police Association | December 31, 2027                          |

## OTHER POST EMPLOYMENT BENEFITS

The County provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the County and have satisfied specified eligibility standards through a single-employer defined benefit plan. Eligible retirees may remain on the County's health plan if the retiree pays the full cost of premiums. This benefit closed effective July 1, 2021 for any new retirees after this date. Membership in the plan consisted of 17 retirees receiving benefits as of December 31, 2023.

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<sup>1</sup> On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission*, Case No. 2023CV3152, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision has been appealed to the Wisconsin Court of Appeals. On January 23, 2025, the court granted a motion to stay the decision pending outcome of the appeal. No guarantee can be made regarding the outcome of the matter.

OPEB calculations are required to be updated every two years and be prepared in accordance with Statement No. 75 of the Governmental Accounting Standards Board ("GASB 75"). An actuarial study for the plan prepared in accordance with GASB 75 was most recently completed by Nyhart (the "Actuary") in July 2023 with an actuarial valuation date of January 1, 2023. The Actuary completed an interim valuation report in May 2024.

For Fiscal Year 2023, benefit payments for the plan totaled \$30,269. The County's current funding practice is to make annual contributions to the plan in the amounts at least equal to the benefits paid to retirees in a particular year on a "pay-as-you-go" basis.

Under GASB 75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As of December 31, 2023, the plan's total OPEB liability was \$49,655 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$49,655.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information regarding such actuarial assumptions, see Note 6 in the County's audited financial statements attached as Appendix A hereto.

## **LITIGATION**

There is no litigation threatened or pending questioning the organization or boundaries of the County or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Notes or otherwise questioning the validity of the Notes.

## **MUNICIPAL BANKRUPTCY**

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the County to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the County to file for relief under Chapter 9. If, in the future, the County were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the County could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the County is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the County could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes.

Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the County; (b) to any particular assets of the County, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the County were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

**FUNDS ON HAND** (as of April 30, 2025)

| <b>Fund</b>           | <b>Total Cash<br/>and Investments</b> |
|-----------------------|---------------------------------------|
| Cash                  | \$2,528,125                           |
| Short Term Investment | 24,617,143                            |
| Long Term Investment  | <u>64,293,055</u>                     |
| Total Funds on Hand   | <u><u>\$91,438,323</u></u>            |

## ENTERPRISE FUNDS

Revenues available for debt service for the County's enterprise funds have been as follows as of December 31 each year:

|                                     | <b>2021<br/>Audited</b>     | <b>2022<br/>Audited</b>   | <b>2023<br/>Audited</b>   |
|-------------------------------------|-----------------------------|---------------------------|---------------------------|
| <b>Nursing Home</b>                 |                             |                           |                           |
| Total Operating Revenues            | \$4,990,237                 | \$6,375,563               | \$7,144,239               |
| Less: Operating Expenses            | <u>(6,797,988)</u>          | <u>(6,651,404)</u>        | <u>(8,000,256)</u>        |
| Operating Income                    | (\$1,807,751)               | (\$275,841)               | (\$856,017)               |
| Plus: Depreciation                  | 587,444                     | 604,675                   | 610,115                   |
| Investment Earnings                 | <u>971</u>                  | <u>0</u>                  | <u>0</u>                  |
| Revenues Available for Debt Service | <u><u>(\$1,219,336)</u></u> | <u><u>\$328,834</u></u>   | <u><u>(\$245,902)</u></u> |
| <b>Highway Department</b>           |                             |                           |                           |
| Total Operating Revenues            | \$19,750,858                | \$22,405,844              | \$22,167,141              |
| Less: Operating Expenses            | <u>(18,896,854)</u>         | <u>(21,402,551)</u>       | <u>(21,864,577)</u>       |
| Operating Income                    | \$854,004                   | \$1,003,293               | \$302,564                 |
| Plus: Depreciation                  | <u>1,857,443</u>            | <u>1,830,826</u>          | <u>1,781,385</u>          |
| Revenues Available for Debt Service | <u><u>\$2,711,447</u></u>   | <u><u>\$2,834,119</u></u> | <u><u>\$2,083,949</u></u> |

## SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues, expenditures and fund balances for the County's General Fund. These summaries are not purported to be the complete audited financial statements of the County, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the County. Copies of the complete statements are available upon request. Appendix A includes the 2023 audited financial statements.

| COMBINED STATEMENT                                  | FISCAL YEAR ENDING DECEMBER 31 |                      |                     |                      |  |
|---|--------------------------------|----------------------|---------------------|----------------------|--|
|   | 2021<br>Audited                | 2022<br>Audited      | 2023<br>Audited     | 2024<br>Unaudited    | 2025<br>Adopted<br>Budget <sup>2</sup> |
| Revenues  |                                |                      |                     |                      |  |
| Taxes   | \$35,941,126                   | \$37,226,091         | \$38,385,265        | \$38,805,871         | \$40,479,464                           |
| Intergovernmental                                   | 6,181,342                      | 6,397,174            | 7,998,279           | 8,140,747            | 7,828,110                              |
| Licenses and permits                                | 402,811                        | 350,360              | 388,097             | 420,700              | 664,000                                |
| Fine and forfeits                                   | 243,919                        | 187,502              | 200,577             | 75,404               | 205,000                                |
| Public charges for services                         | 3,222,556                      | 2,981,179            | 2,923,965           | 3,661,809            | 3,285,342                              |
| Intergovernmental charges for services              | 29,943                         | 36,083               | 32,908              | 18,622               | 140,200                                |
| Investment Income                                   | (332,288)                      | (2,043,959)          | 3,913,069           | 4,114,551            | 1,566,000                              |
| Rent  | 83,720                         | 81,628               | 85,132              | 84,702               | 184,000                                |
| Other   | 40,153                         | 104,646              | 23,557              | 44,952               | 128,100                                |
| <b>Total Revenues</b>                               | <u>\$45,813,282</u>            | <u>\$45,320,704</u>  | <u>\$53,950,849</u> | <u>\$55,367,358</u>  | <u>\$54,480,216</u>                    |
| Expenditures  |                                |                      |                     |                      |  |
| Current:  |                                |                      |                     |                      |  |
| General government                                  | \$12,104,951                   | \$12,575,069         | \$14,710,239        | \$15,966,454         | \$16,019,392                           |
| Public safety                                       | 14,898,798                     | 15,907,131           | 17,330,059          | 17,526,120           | 19,353,215                             |
| Transportation                                      | 8,686,889                      | 8,282,106            | 8,920,277           | 11,091,293           | 10,921,049                             |
| Sanitation  | 291,543                        | 278,087              | 291,995             | 282,579              | 285,686                                |
| Health and human services                           | 1,046,314                      | 1,084,231            | 1,184,786           | 1,261,352            | 1,336,993                              |
| Culture, recreation and education                   | 2,244,979                      | 2,395,349            | 2,378,698           | 2,983,088            | 3,204,334                              |
| Conservation and development                        | 2,588,033                      | 2,674,961            | 2,878,775           | 3,064,586            | 3,359,547                              |
| Capital outlay                                      | 0                              | 362,922              | 672                 | 0                    | 0                                      |
| <b>Total Expenditures</b>                           | <u>\$41,861,507</u>            | <u>\$43,559,856</u>  | <u>\$47,695,501</u> | <u>\$52,175,472</u>  | <u>\$54,480,216</u>                    |
| <b>Excess of revenues over (under) expenditures</b> | \$3,951,775                    | \$1,760,848          | \$6,255,348         | \$3,191,886          | \$0                                    |
| <b>Other Financing Sources (Uses)</b>               |                                |                      |                     |                      |  |
| Right to use lease proceeds                         | \$0                            | \$361,029            | \$0                 | \$0                  | \$0                                    |
| Transfers (out)                                     | (3,750,000)                    | (4,050,000)          | (300,000)           | (1,500,000)          | 0                                      |
| <b>Total Other Financing Sources (Uses)</b>         | <u>(\$3,750,000)</u>           | <u>(\$3,688,971)</u> | <u>(\$300,000)</u>  | <u>(\$1,500,000)</u> | <u>\$0</u>                             |
| <b>Net changes in Fund Balances</b>                 | \$201,775                      | (\$1,928,123)        | \$5,955,348         | \$1,691,886          | \$0                                    |
| General Fund Balance January 1                      | \$23,486,560                   | \$23,688,335         | \$21,760,212        | \$27,715,560         |  |
| Prior Period Adjustment                             | 0                              | 0                    | 0                   | 0                    |  |
| General Fund Balance December 31                    | \$23,688,335                   | \$21,760,212         | \$27,715,560        | \$29,407,446         |  |
| <b>DETAILS OF DECEMBER 31 FUND BALANCE</b>          |                                |                      |                     |                      |  |
| Nonspendable  | \$2,066,369                    | \$1,834,332          | \$1,903,998         |                      |  |
| Restricted  | 14,079                         | 13,878               | 13,878              |                      |  |
| Assigned  | 1,855,027                      | 1,654,081            | 1,688,064           |                      |  |
| Unassigned  | 19,752,860                     | 18,257,921           | 24,109,620          |                      |  |
| <b>Total</b>  | <u>\$23,688,335</u>            | <u>\$21,760,212</u>  | <u>\$27,715,560</u> |                      |  |

<sup>1</sup> The 2025 budget was adopted on November 6, 2024.

## GENERAL INFORMATION

### LOCATION

The County, with a 2020 U.S. Census population of 93,536 and a current estimated population of 98,849, comprises an area of 736 square miles and is located within the Minneapolis/St. Paul metropolitan area.

### LARGER EMPLOYERS<sup>1</sup>

Larger employers in the County include the following:

| <b>Firm</b>                                | <b>Type of Business/Product</b>              | <b>Estimated No. of Employees</b> |
|--|--|-----------------------------------|
| Northwood Technical College                | Post-secondary education                     | 1,018                             |
| School District of Hudson                  | Elementary and secondary education           | 975                               |
| The County                                 | County government and services               | 779                               |
| Philips-Medisize                           | Hospital equipment and supplies manufacturer | 750 <sup>2</sup>                  |
| Walmart Supercenter                        | Department stores                            | 582 <sup>2</sup>                  |
| New Richmond School District               | Elementary and secondary education           | 470                               |
| Westfields Hospital                        | Medical care                                 | 430                               |
| Hudson Hospital and Clinic/Health Partners | Hospital and clinic                          | 433                               |
| McMillan Electric Company                  | Electric motors                              | 300                               |
| Nolato Contour                             | Plastics manufacturer                        | 200                               |

**Source:** The County, Data Axle Reference Solutions, written and telephone survey, Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.

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<sup>1</sup> This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

<sup>2</sup> Total reflects two locations within the County.



## U.S. CENSUS DATA

### Population Trend: The County

|                             |        |
|-----------------------------|--------|
| 2010 U.S. Census Population | 84,345 |
| 2020 U.S. Census Population | 93,536 |
| Percent of Change 2010-2020 | 10.90% |

|                           |        |
|---------------------------|--------|
| 2024 Estimated Population | 98,849 |
|---------------------------|--------|

### Income and Age Statistics

|  | <b>The<br/>County</b> | <b>State of<br/>Wisconsin</b> | <b>United<br/>States</b> |
|--|-----------------------|-------------------------------|--------------------------|
| 2023 per capita income                 | \$48,851              | \$42,019                      | \$43,289                 |
| 2023 median household income           | \$102,482             | \$75,670                      | \$78,538                 |
| 2023 median family income              | \$122,381             | \$97,261                      | \$96,922                 |
| 2023 median gross rent                 | \$1,238               | \$1,045                       | \$1,348                  |
| 2023 median value owner occupied units | \$349,700             | \$247,400                     | \$303,400                |
| 2023 median age                        | 39.8 yrs.             | 40.1 yrs.                     | 38.7 yrs.                |

|                                       | <b>State of Wisconsin</b> | <b>United States</b> |
|---------------------------------------|---------------------------|----------------------|
| County % of 2023 per capita income    | 116.26%                   | 112.85%              |
| County % of 2023 median family income | 125.83%                   | 126.27%              |

### Housing Statistics

|                   | <b><u>The County</u></b> |             |                          |
|-------------------|--------------------------|-------------|--------------------------|
|                   | <b>2020</b>              | <b>2023</b> | <b>Percent of Change</b> |
| All Housing Units | 37,369                   | 38,185      | 2.18%                    |

**Source:** 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center ([https://doa.wi.gov/Pages/LocalGovtsGrants/Population\\_Estimates.aspx](https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx)) and 2023 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

## EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities with populations under 25,000.

|                          | <b><u>Average Employment</u></b> | <b><u>Average Unemployment</u></b> |                           |
|--------------------------|----------------------------------|------------------------------------|---------------------------|
| <b>Year</b>              | <b>St. Croix County</b>          | <b>St. Croix County</b>            | <b>State of Wisconsin</b> |
| 2021                     | 50,574                           | 3.3%                               | 3.8%                      |
| 2022                     | 51,642                           | 2.8%                               | 2.8%                      |
| 2023                     | 52,607                           | 3.1%                               | 2.8%                      |
| 2024 <sup>1</sup>        | 53,145                           | 3.3%                               | 3.0%                      |
| 2025, April <sup>1</sup> | 52,050                           | 3.9%                               | 3.3%                      |

**Source:** Wisconsin Department of Workforce Development.

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<sup>1</sup> Preliminary.

### FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the County's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The County has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the County requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the County since the date of the financial statements, in connection with the issuance of the Notes, the County represents that there have been no material adverse change in the financial position or results of operations of the County, nor has the County incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

**ST. CROIX COUNTY, WISCONSIN**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAAconnect.com](https://CLAAconnect.com)

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## INDEPENDENT AUDITORS' REPORT

Honorable Members of the County Board of Supervisors  
St. Croix County, Wisconsin  
Hudson, Wisconsin

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of St. Croix County, Wisconsin, (the County) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter – Change in Accounting Principle***

As discussed in Note 1 to the financial statements, effective January 1, 2023, the County adopted new accounting guidance for subscription-based information technology arrangements (SBITAs). The guidance requires the County to recognize a right-to-use subscription asset and corresponding subscription liability for all arrangements with terms greater than twelve months. Our opinions are not modified with respect to this matter.

#### ***Emphasis of Matter – Prior Period Adjustment***

During the year ended December 31, 2023, as disclosed in Note 5.D to the financial statements, the County restated the beginning net position of the custodial funds to correct the reporting of the custodial fund activities. Our auditor's opinion was not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, pension schedules, and schedule of changes in the County's OPEB liability and related ratios as referend in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable Members of the County Board of Supervisors  
St. Croix County, Wisconsin

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Hudson, Wisconsin  
July 24, 2024

**ST. CROIX COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

As management of St. Croix County, Wisconsin, (the County) we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County, for the fiscal year ended December 31, 2023. Readers are encouraged to consider the information presented here in conjunction with additional information that has been furnished in the County's basic financial statements following this section.

**Financial Highlights**

- The assets and deferred outflows of resources of the County, exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$201,977,750 (net position). Of this amount, \$119,185,446 represented the County's net investment in capital assets, \$1,530,492 was held for restricted purposes, and \$81,261,812 was unrestricted. The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- During the fiscal year, the County's total net position increased by \$15,875,402. Net position related to the business-type activities of the County decreased \$776,440, while net position related to governmental activities increased \$16,647,842.
- At the close of the fiscal year, the County's governmental funds reported a combined ending fund balance of \$93,310,860, which represents a decrease of \$26,693,726 from the previous year. This increase was primarily due to operations of the capital projects fund.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$24,109,620 or 50.5% of total general fund expenditures.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to St. Croix County, Wisconsin's basic financial statements. The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements are designed to provide readers with a broad overview of St. Croix County, Wisconsin's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of St. Croix County, Wisconsin's assets, liabilities, and deferred inflows/outflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**ST. CROIX COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

Both of the government-wide financial statements distinguish functions of St. Croix County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, transportation, sanitation, health and human services, conservation and development, and culture, recreation, and education. The business-type activities of the County include a nursing home and the highway department.

The government-wide financial statements can be found beginning on page 16 of this report.

### **Fund Financial Statements**

These statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. St. Croix County, Wisconsin, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental Funds* – These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

St. Croix County, Wisconsin, maintains four governmental fund types: (1) General, (2) Special Revenue, (3) Debt Service, and (4) Capital Projects. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, health and human services special revenue fund, the debt service fund, the Capital Projects Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found beginning on page 17 of this report.

**ST. CROIX COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

*Proprietary Funds* – St. Croix County, Wisconsin, maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Nursing Home and Highway department. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. St. Croix County, Wisconsin, uses internal service funds to account for its Self-Funded Workers' Compensation, Self-Funded Health Insurance, Self-Funded Liability Insurance, Retirement Health Savings Accounts, Health Retirement Liability Accounts, and County Fleet. Because these services benefit both governmental and business-type functions, they have been allocated to both functions in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Nursing Home and Highway department, which are both considered major funds. Conversely, the five internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found beginning on page 21 of this report.

*Fiduciary Funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Data from fiduciary funds are combined into a single aggregate presentation. Individual fund data for each fiduciary fund is provided in the form of combining statements elsewhere in this report.

The basic fiduciary fund financial statements can be found on page 27 of this report.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on page 29 of this report.

**Supplementary Information** – In addition to the basic financial statements and accompanying notes, this report presents required supplementary information on the general fund and health and human services fund budgets, other postemployment benefits and pension schedules. Required supplementary information can be found beginning on page 79 of this report. The combining statements referred to earlier in connection with nonmajor governmental and internal service funds are presented immediately following the required supplementary information on the general fund budget. Combining fund statements and schedules can be found beginning on page 79 of this report.

**ST. CROIX COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

**Financial Analysis of the County as a Whole**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of St. Croix County, Wisconsin, assets exceeded liabilities by \$201,977,750 at the close of the most recent fiscal year. The largest portion of St. Croix County, Wisconsin's net position, \$119,185,446 (59.0%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Table A-1  
St. Croix County, Wisconsin's Net Position**

|                                       | Governmental Activities |                       | Business-Type Activities |                      | Total                 |                       |
|---------------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|                                       | 2023                    | 2022                  | 2023                     | 2022                 | 2023                  | 2022                  |
| <b>ASSETS</b>                         |                         |                       |                          |                      |                       |                       |
| Current and Other Assets              | \$ 165,839,156          | \$ 207,464,114        | \$ 14,125,108            | \$ 17,609,288        | \$ 179,964,264        | \$ 225,073,402        |
| Capital Assets                        | 160,822,410             | 123,462,772           | 52,584,575               | 52,775,318           | 213,406,985           | 176,238,090           |
| Internal Balances                     | (685,284)               | (1,103,756)           | 685,284                  | 1,103,756            | -                     | -                     |
| Total Assets                          | 325,976,282             | 329,823,130           | 67,394,967               | 71,488,362           | 393,371,249           | 401,311,492           |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> | 36,451,177              | 28,506,926            | 9,072,384                | 7,520,361            | 45,523,561            | 36,027,287            |
| <b>LIABILITIES</b>                    |                         |                       |                          |                      |                       |                       |
| Long-Term Obligations                 | 139,860,112             | 138,360,917           | 3,546,707                | 1,105,773            | 143,406,819           | 139,466,690           |
| Other Liabilities                     | 18,365,862              | 44,559,144            | 3,248,625                | 3,365,054            | 21,614,487            | 47,924,198            |
| Total Liabilities                     | 158,225,974             | 182,920,061           | 6,795,332                | 4,470,827            | 165,021,306           | 187,390,888           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  | 66,508,090              | 54,364,442            | 5,387,664                | 9,477,101            | 71,895,754            | 63,841,543            |
| <b>NET POSITION</b>                   |                         |                       |                          |                      |                       |                       |
| Net Investment in Capital Assets      | 66,600,871              | 59,934,757            | 52,584,575               | 52,775,318           | 119,185,446           | 112,710,075           |
| Restricted                            | 1,522,543               | 16,224,659            | 7,949                    | 3,934,400            | 1,530,492             | 20,159,059            |
| Unrestricted                          | 69,569,981              | 44,886,137            | 11,691,831               | 8,351,077            | 81,261,812            | 53,237,214            |
| Total Net Position                    | <u>\$ 137,693,395</u>   | <u>\$ 121,045,553</u> | <u>\$ 64,284,355</u>     | <u>\$ 65,060,795</u> | <u>\$ 201,977,750</u> | <u>\$ 186,106,348</u> |

An additional portion of St. Croix County, Wisconsin's net position, \$1,530,492 (.76%) represents resources that are subject to other restrictions on how they may be used. The remaining \$81,261,812 of total net position (40.2%) may be used to meet the County's ongoing obligations to citizens and creditors. It is important to note that \$11,691,831 of the unrestricted net position is related to the County's business-type activities. Consequently, they generally may not be available to fund governmental activities.

The County's net position increased \$15,871,402 during the current fiscal year. The increase consisted of a decrease in net position related to business-type activities in the amount of \$776,440 and an increase in net position related to governmental activities in the amount of \$16,647,842.

**ST. CROIX COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

The following is a summary of the changes in the County's net position for the years ended December 31:

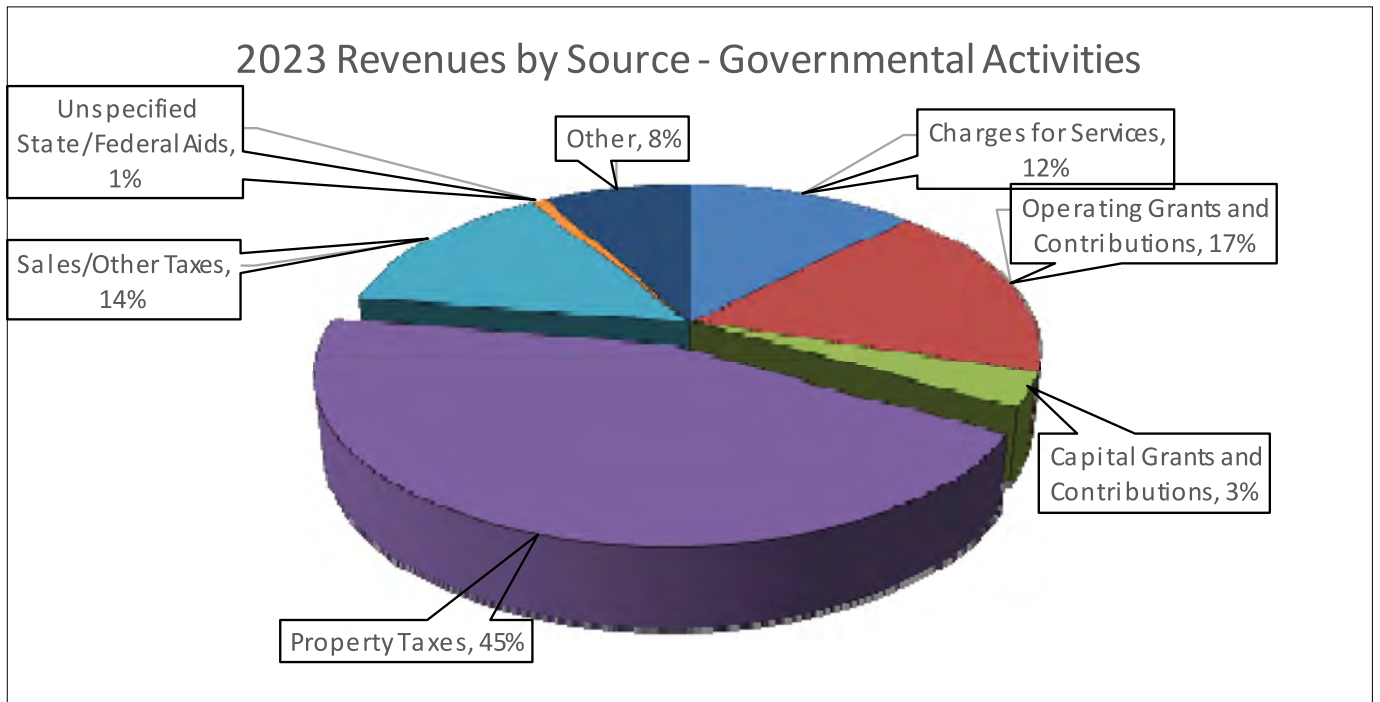
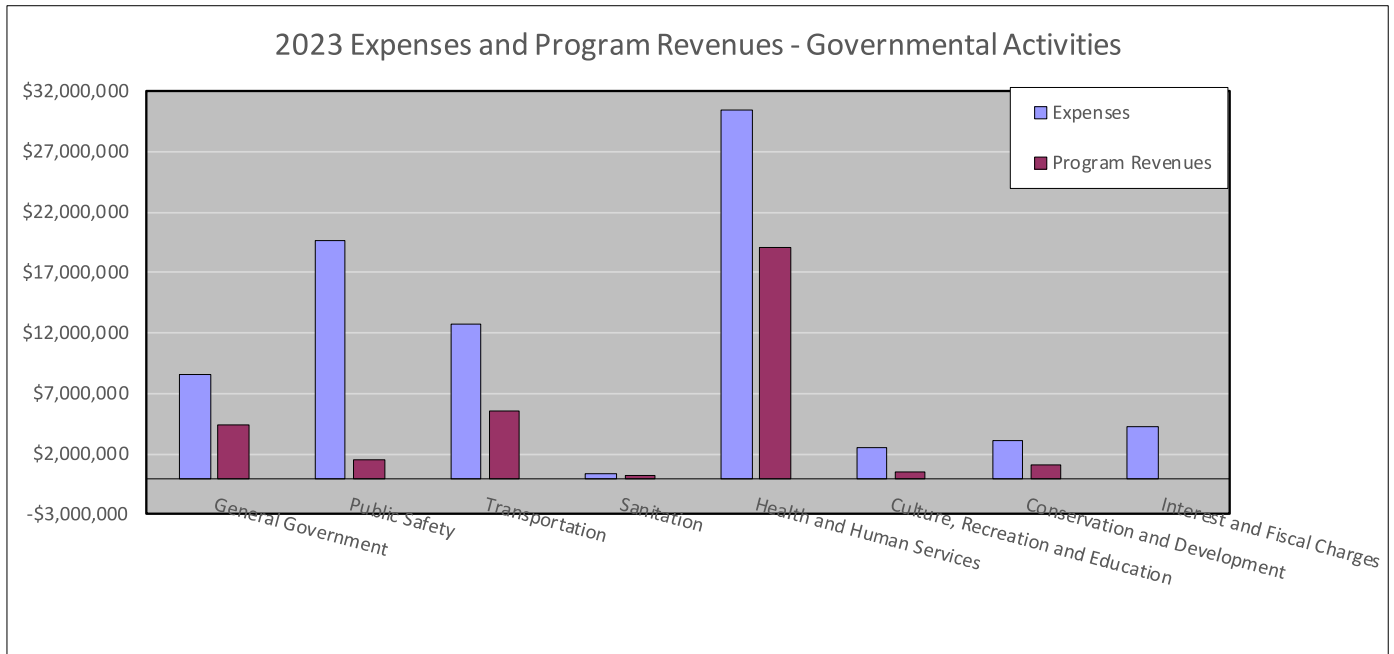
**Table A-2  
St. Croix County, Wisconsin's Changes in Net Position**

|  | Governmental Activities |                     | Business-Type Activities |                     | Total                |                      |
|--|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
|  | 2023                    | 2022                | 2023                     | 2022                | 2023                 | 2022                 |
| <b>REVENUES</b>  |                         |                     |                          |                     |                      |                      |
| Program Revenues:  |                         |                     |                          |                     |                      |                      |
| Charges for Services                                       | \$ 12,236,514           | \$ 11,821,524       | \$ 29,311,380            | \$ 27,202,470       | \$ 41,547,894        | \$ 39,023,994        |
| Operating Grants and Contributions                         | 16,896,893              | 15,840,640          | 180,012                  | 534,232             | 17,076,905           | 16,374,872           |
| Capital Grants and Contributions                           | 3,209,273               | 6,933,552           | -                        | -                   | 3,209,273            | 6,933,552            |
| General Revenues:  |                         |                     |                          |                     |                      |                      |
| Property Taxes   | 43,634,665              | 37,677,729          | -                        | -                   | 43,634,665           | 37,677,729           |
| Sales and Other Taxes                                      | 13,354,979              | 12,617,258          | -                        | -                   | 13,354,979           | 12,617,258           |
| State and Federal Aids not Restricted to Specific Programs | 838,867                 | 827,129             | -                        | -                   | 838,867              | 827,129              |
| Other  | 7,776,783               | (941,564)           | 27,086                   | 1,633,356           | 7,803,869            | 691,792              |
| Total Revenues   | <u>97,947,974</u>       | <u>84,776,268</u>   | <u>29,518,478</u>        | <u>29,370,058</u>   | <u>127,466,452</u>   | <u>114,146,326</u>   |
| <b>EXPENSES</b>  |                         |                     |                          |                     |                      |                      |
| General Government   | 8,500,431               | 12,723,135          | -                        | -                   | 8,500,431            | 12,723,135           |
| Public Safety  | 19,621,648              | 15,061,589          | -                        | -                   | 19,621,648           | 15,061,589           |
| Transportation   | 12,698,649              | 15,446,751          | -                        | -                   | 12,698,649           | 15,446,751           |
| Sanitation   | 291,995                 | 278,087             | -                        | -                   | 291,995              | 278,087              |
| Health and Human Services                                  | 30,399,284              | 24,647,118          | -                        | -                   | 30,399,284           | 24,647,118           |
| Culture, Recreation and Education                          | 2,527,687               | 2,184,482           | -                        | -                   | 2,527,687            | 2,184,482            |
| Conservation and Development                               | 3,031,181               | 2,478,869           | -                        | -                   | 3,031,181            | 2,478,869            |
| Interest and Fiscal Charges                                | 4,229,257               | 2,996,997           | -                        | -                   | 4,229,257            | 2,996,997            |
| Nursing Home   | -                       | -                   | 8,169,517                | 6,509,079           | 8,169,517            | 6,509,079            |
| Highway Department   | -                       | -                   | 22,125,401               | 21,287,056          | 22,125,401           | 21,287,056           |
| Total Expenses   | <u>81,300,132</u>       | <u>75,817,028</u>   | <u>30,294,918</u>        | <u>27,796,135</u>   | <u>111,595,050</u>   | <u>103,613,163</u>   |
| <b>CHANGE IN NET POSITION</b>                              | <u>\$ 16,647,842</u>    | <u>\$ 8,959,240</u> | <u>\$ (776,440)</u>      | <u>\$ 1,573,923</u> | <u>\$ 15,871,402</u> | <u>\$ 10,533,163</u> |

As noted above, the government activities net position increased and business-type activities net positions increased during the current fiscal year.

A review of the statement of activities can provide a concise picture of how the various functions/programs of St. Croix County, Wisconsin are funded. The following charts draw data from the statement of activities. For governmental services the County is highly dependent on property taxes (45%) and operating grants/contributions (17%) for funding.

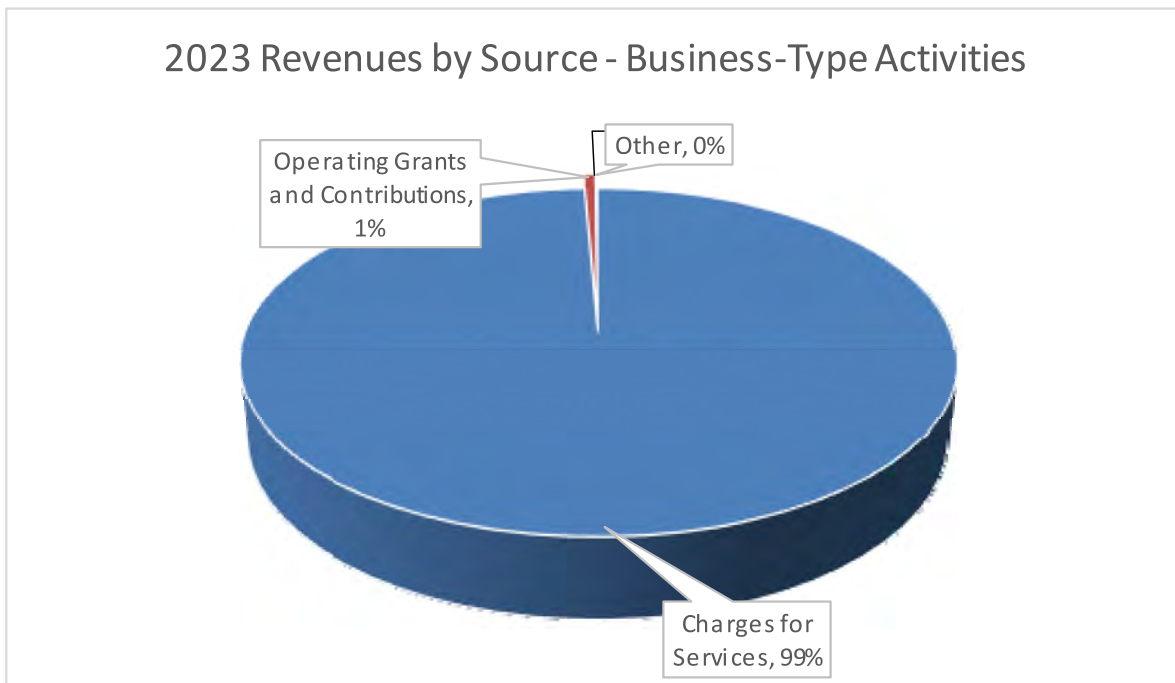
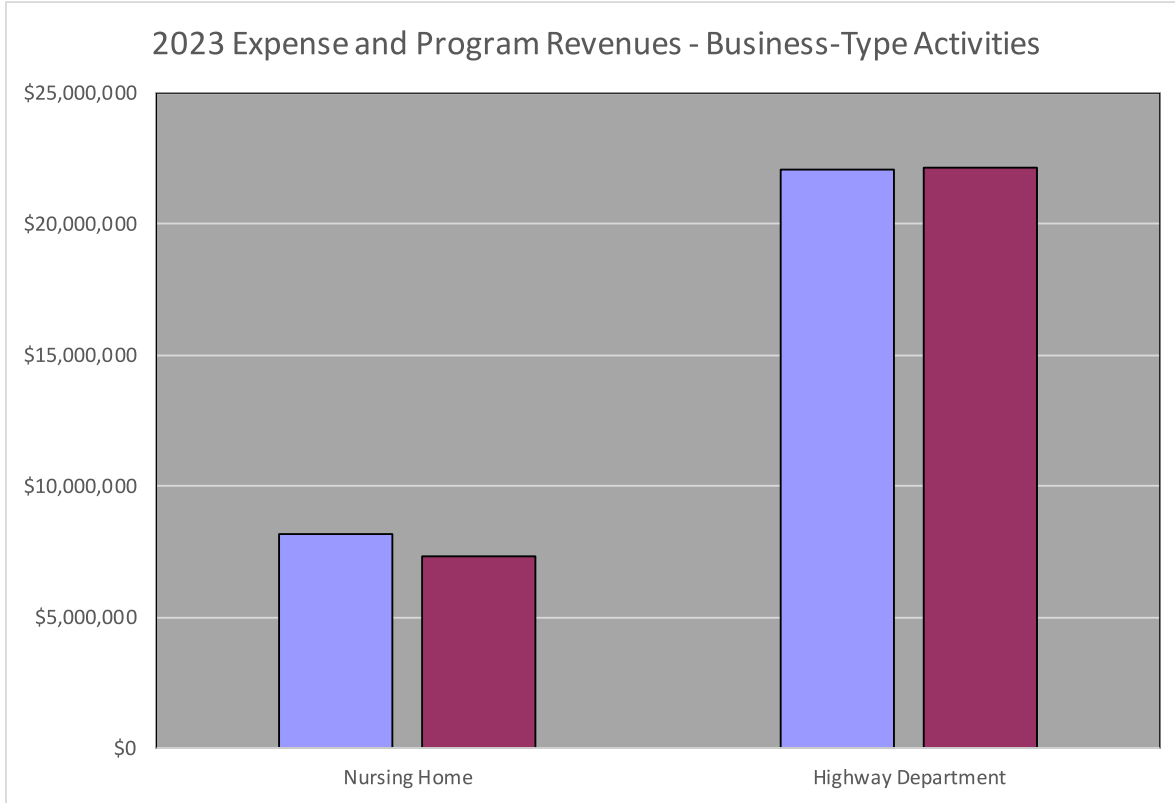
**ST. CROIX COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**





**ST. CROIX COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

In the case of business-type activities, the data shows a considerably different picture. Charges for services (99.3%) replace property taxes as the primary revenue.



**ST. CROIX COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

**Financial Analysis of the County's Major Funds**

As noted earlier, St. Croix County, Wisconsin, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental Funds* – The focus of the County's governmental funds is to provide information regarding near-term inflows, outflows and balances of spendable resources. Such information can be useful in assessing St. Croix County, Wisconsin's financing requirements. In particular, the level of unrestricted fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2023, the County's governmental funds reported combined ending fund balances of \$93,310,860, a decrease of \$26,693,726 from the previous year. Of this total fund balance, \$2,701,252 is restricted or nonspendable for specific legal requirements and other outside requirements, leaving a total \$90,609,608 available for spending at the discretion of the County. As the result of past actions and policy decisions and the nature of individual funds comprising the balances, \$66,510,891 of these unrestricted balances have been segregated or otherwise committed and assigned for specific uses, leaving an unassigned fund balance of \$24,098,717.

The general fund is the primary operating fund used to account for the governmental operations of St. Croix County, Wisconsin. As a measure of the general fund's liquidity, it may be useful to compare both total fund balance and unassigned fund balance to expenditures or revenues. The total year-end general fund balance represented 58.1% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 50.5% of the same amount. The general fund's total fund balance increased \$5,955,348 during the year.

The health and human services fund's total fund balance decreased \$1,183,178 during the year.

The debt service fund balance totaled \$18,065 at year-end. This balance is expected to be used to finance future debt service requirements.

The capital projects fund has a fund balance of \$60,644,094 that remains at year-end.

The aggregated other governmental funds column includes various special revenue funds. The accumulated fund balances of these funds decreased \$61,242 and are individually detailed in the supplementary information section of this report.

*Proprietary Funds* – St. Croix County, Wisconsin's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

As of December 31, 2023, the Nursing Home Fund operation reported net position of \$18,959,334, an decrease of \$660,532 from the previous year. The Highway Fund operation reported net position of \$44,639,737, an increase of \$302,564 over the previous year.

**ST. CROIX COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

**General Fund Budgetary Highlights**

As shown in the Budgetary Comparison Schedule for the general fund (in required supplementary information), the final budget reflects a planned balanced budget in the general fund balance during 2023 and the County ended the year with positive budget variance for revenues and a negative budget variance for expenditures. Revenues were \$10,062,551 more than the budgeted amounts while expenditures were \$895,546 more than budgeted amounts.

**Capital Asset and Debt Administration**

**Capital Assets**

St. Croix County, Wisconsin's investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounts to \$213,406,985 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, and highway infrastructure. The net increase in the governmental activities capital assets was \$37,359,638. The business-type activities capital assets decreased by \$190,743 (net of accumulated depreciation).

**Table A-3  
St. Croix County, Wisconsin's Capital Assets (Net of Depreciation and Amortization)**

|                              | Governmental Activities |                       | Business-Type Activities |                      | Total                 |                       |
|------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|                              | 2023                    | 2022                  | 2023                     | 2022                 | 2023                  | 2022                  |
| Land                         | \$ 5,860,906            | \$ 5,860,906          | \$ 1,191,092             | \$ 1,191,092         | \$ 7,051,998          | \$ 7,051,998          |
| Land Improvements            | 2,548,301               | 1,688,184             | 1,405,779                | 1,484,352            | 3,954,080             | 3,172,536             |
| Gravel Pits and Quarries     | -                       | -                     | 248,612                  | 248,612              | 248,612               | 248,612               |
| Buildings and Improvements   | 24,725,577              | 20,128,578            | 40,342,795               | 41,047,307           | 65,068,372            | 61,175,885            |
| Equipment and Vehicles       | 9,295,899               | 8,102,904             | 9,279,592                | 8,768,025            | 18,575,491            | 16,870,929            |
| Right-to-Use Lease Equipment | 4,370                   | 95,734                | -                        | -                    | 4,370                 | 95,734                |
| Right-to-Use Lease Vehicles  | 253,917                 | 116,408               | -                        | -                    | 253,917               | 116,408               |
| Highway Infrastructure       | 77,561,741              | 73,914,353            | -                        | -                    | 77,561,741            | 73,914,353            |
| Other Infrastructure         | 714,449                 | 753,897               | -                        | -                    | 714,449               | 753,897               |
| Construction-in-Progress     | 39,857,250              | 12,801,808            | 116,705                  | 35,930               | 39,973,955            | 12,837,738            |
| Total                        | <u>\$ 160,822,410</u>   | <u>\$ 123,462,772</u> | <u>\$ 52,584,575</u>     | <u>\$ 52,775,318</u> | <u>\$ 213,406,985</u> | <u>\$ 176,238,090</u> |

Additional information related to the County's capital assets is reported in Note 3.C following the financial statements.

**ST. CROIX COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2023**

**Long-Term Obligations**

At December 31, 2023, St. Croix County, Wisconsin had outstanding \$143,406,819 of long-term debt and other long-term obligations. A summary detail of this amount, together with the percent change from the previous year, is shown below:

**Table A-4  
St. Croix County, Wisconsin's Outstanding Long-Term Obligations**

|                              | Governmental Activities |                       | Business-Type Activities |                     | Total                 |                       | Percent Change |
|------------------------------|-------------------------|-----------------------|--------------------------|---------------------|-----------------------|-----------------------|----------------|
|                              | 2023                    | 2022                  | 2023                     | 2022                | 2023                  | 2022                  |                |
| General Obligation Debt:     |                         |                       |                          |                     |                       |                       |                |
| Bonds                        | \$ 118,795,000          | \$ 126,120,000        | \$ -                     | \$ -                | \$ 118,795,000        | \$ 126,120,000        | (5.8)%         |
| Notes                        | 2,722,000               | 4,556,000             | -                        | -                   | 2,722,000             | 4,556,000             | (40.3)         |
| Premium (Discount)           | 3,818,371               | 4,289,601             | -                        | -                   | 3,818,371             | 4,289,601             | (11.0)         |
| Other Long-Term Obligations: |                         |                       |                          |                     |                       |                       |                |
| Employee Leave               | 4,551,246               | 3,075,658             | 1,104,593                | 1,073,657           | 5,655,839             | 4,149,315             | 36.3           |
| Lease Liability              | 219,572                 | 212,142               | -                        | -                   | 219,572               | 212,142               |                |
| Wisconsin Retirement System  |                         |                       |                          |                     |                       |                       |                |
| Net Pension Liability        | 9,715,689               | -                     | 2,430,693                | -                   | 12,146,382            | -                     |                |
| Other Postemployment         |                         |                       |                          |                     |                       |                       |                |
| Benefits Payable             | 38,234                  | 107,516               | 11,421                   | 256,749             | 49,655                | 364,265               | (86.4)         |
| Total Debt                   | <u>\$ 139,860,112</u>   | <u>\$ 138,360,917</u> | <u>\$ 3,546,707</u>      | <u>\$ 1,330,406</u> | <u>\$ 143,406,819</u> | <u>\$ 139,691,323</u> |                |

Under Wisconsin State Statutes, the outstanding general obligation long-term debt of a county may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. The applicable debt of the County outstanding at December 31, 2023, totaled \$121,517,000, approximately 15.00% of the maximum legal limit of \$819,226,890. Additional information on St. Croix County, Wisconsin's long-term debt is reported in Note 3.E following the financial statements.

**Economic Factors and Next Year's Budget and Rates**

The economic condition and outlook of the County continues to improve. Total equalized value of the County increased from \$14,426,240,700 in 2022 to \$16,255,300,900 in 2023. St. Croix County, Wisconsin continues to be one of the fastest growing counties in the state.

For 2023, all Wisconsin counties were again mandated by state statute, to limit property tax increases to 0% or net new construction growth, whichever is greater. St. Croix County, Wisconsin had 2.73% net new construction in 2023, as growth in the County continues to increase.

Transportation system improvements in the region and proximity the Minneapolis metro area continue to support strong growth and property value increases.

**Requests for Information**

This financial report is designed to provide a general overview of St. Croix County, Wisconsin's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the St. Croix County Finance Director, 1101 Carmichael Road, Hudson, Wisconsin 54016.

## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**ST. CROIX COUNTY, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

|   | Governmental<br>Activities | Business-Type<br>Activities | Total                 |
|---|----------------------------|-----------------------------|-----------------------|
| <b>ASSETS</b>                                     |                            |                             |                       |
| Cash and Investments                              | \$ 112,246,234             | \$ 10,080,074               | \$ 122,326,308        |
| Deposit in Public Entity Risk Pool                | 720,214                    | -                           | 720,214               |
| Taxes Receivable                                  | 46,165,708                 | -                           | 46,165,708            |
| Accounts Receivable, Net                          | 2,313,741                  | 990,733                     | 3,304,474             |
| Due from Other Governments                        | 4,274,754                  | 959,748                     | 5,234,502             |
| Internal Balances                                 | (685,284)                  | 685,284                     | -                     |
| Long-Term Receivables                             | 97,565                     | -                           | 97,565                |
| Other Assets and Prepaid Items                    | 20,940                     | 2,031,570                   | 2,052,510             |
| Restricted Assets:                                |                            |                             |                       |
| Cash and Investments                              | -                          | 62,983                      | 62,983                |
| Capital Assets:                                   |                            |                             |                       |
| Capital Assets Not being Depreciated              | 45,718,156                 | 1,556,409                   | 47,274,565            |
| Capital Assets being Depreciated                  | 231,589,665                | 74,733,248                  | 306,322,913           |
| Accumulated Depreciation                          | (116,485,411)              | (23,705,082)                | (140,190,493)         |
| Total Assets                                      | <u>325,976,282</u>         | <u>67,394,967</u>           | <u>393,371,249</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>             |                            |                             |                       |
| Wisconsin Retirement System Pension Related       | 36,362,248                 | 9,045,821                   | 45,408,069            |
| Other Postemployment Benefits Related             | 88,929                     | 26,563                      | 115,492               |
| Total Deferred Outflows of Resources              | <u>36,451,177</u>          | <u>9,072,384</u>            | <u>45,523,561</u>     |
| <b>LIABILITIES</b>                                |                            |                             |                       |
| Vouchers and Accounts Payable                     | 8,730,587                  | 717,594                     | 9,448,181             |
| Accrued Payroll                                   | 2,003,941                  | 576,956                     | 2,580,897             |
| Accrued Claims Payable                            | 1,743,077                  | -                           | 1,743,077             |
| Payroll Deductions                                | 427,986                    | -                           | 427,986               |
| Accrued Interest                                  | 1,026,276                  | -                           | 1,026,276             |
| Due to Other Governments                          | 321,123                    | -                           | 321,123               |
| Unearned Revenues                                 | 4,016,764                  | 1,891,482                   | 5,908,246             |
| Special Deposits                                  | 96,108                     | 62,593                      | 158,701               |
| Long-Term Liabilities:                            |                            |                             |                       |
| Amount Due Within One Year                        | 9,539,332                  | 788,601                     | 10,327,933            |
| Amounts Due in More than One Year                 | 120,566,857                | 315,992                     | 120,882,849           |
| Wisconsin Retirement System Net Pension Liability | 9,715,689                  | 2,430,693                   | 12,146,382            |
| Total Other Postemployment Benefit Liability      | <u>38,234</u>              | <u>11,421</u>               | <u>49,655</u>         |
| Total Liabilities                                 | <u>158,225,974</u>         | <u>6,795,332</u>            | <u>165,021,306</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>              |                            |                             |                       |
| Property Taxes for Subsequent Year                | 45,100,429                 | -                           | 45,100,429            |
| Deferred Inflows Related to Leases                | 65,403                     | -                           | 65,403                |
| Wisconsin Retirement System Pension Related       | 20,348,653                 | 5,090,871                   | 25,439,524            |
| Other Postemployment Benefits Related             | 993,605                    | 296,793                     | 1,290,398             |
| Total Deferred Inflows of Resources               | <u>66,508,090</u>          | <u>5,387,664</u>            | <u>71,895,754</u>     |
| <b>NET POSITION</b>                               |                            |                             |                       |
| Net Investment in Capital Assets                  | 66,600,871                 | 52,584,575                  | 119,185,446           |
| Restricted for:                                   |                            |                             |                       |
| Federal and State Grant Programs                  | 779,189                    | -                           | 779,189               |
| Capital Projects                                  | 743,354                    | -                           | 743,354               |
| Donation Funds                                    | -                          | 7,949                       | 7,949                 |
| Unrestricted                                      | <u>69,569,981</u>          | <u>11,691,831</u>           | <u>81,261,812</u>     |
| Total Net Position                                | <u>\$ 137,693,395</u>      | <u>\$ 64,284,355</u>        | <u>\$ 201,977,750</u> |

See accompanying Notes to Basic Financial Statements.

**ST. CROIX COUNTY, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

| Functions/Programs   | Expenses       | Program Revenues        |  |  | Net Revenue (Expense) and Changes in Net Position |                             |                       |
|--|----------------|-------------------------|--|--|---|-----------------------------|-----------------------|
|  |                | Charges<br>for Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                        | Business-Type<br>Activities | Total                 |
|  |                |                         |  |  |   |                             |                       |
| Primary Government:  |                |                         |  |  |   |                             |                       |
| Governmental Activities:                                   |                |                         |  |  |   |                             |                       |
| General Government   | \$ 8,500,431   | \$ 2,184,505            | \$ 2,254,602                             | \$ -                                   | \$ (4,061,324)                                    | \$ -                        | \$ (4,061,324)        |
| Public Safety  | 19,621,648     | 570,912                 | 875,154                                  | -                                      | (18,175,582)                                      | -                           | (18,175,582)          |
| Transportation   | 12,698,649     | -                       | 2,381,934                                | 3,209,273                              | (7,107,442)                                       | -                           | (7,107,442)           |
| Sanitation   | 291,995        | 16,628                  | 217,104                                  | -                                      | (58,263)  | -                           | (58,263)              |
| Health and Human Services                                  | 30,399,284     | 8,516,461               | 10,511,978                               | -                                      | (11,370,845)                                      | -                           | (11,370,845)          |
| Culture, Recreation, and Education                         | 2,527,687      | 462,926                 | 105,813                                  | -                                      | (1,958,948)                                       | -                           | (1,958,948)           |
| Conservation and Development                               | 3,031,181      | 485,082                 | 550,308                                  | -                                      | (1,995,791)                                       | -                           | (1,995,791)           |
| Interest and Fiscal Charges                                | 4,229,257      | -                       | -  | -                                      | (4,229,257)                                       | -                           | (4,229,257)           |
| Total Governmental Activities                              | 81,300,132     | 12,236,514              | 16,896,893                               | 3,209,273                              | (48,957,452)                                      | -                           | (48,957,452)          |
| Business-Type Activities:                                  |                |                         |  |  |   |                             |                       |
| Nursing Home   | 8,169,517      | 7,144,239               | 180,012                                  | -                                      | -   | (845,266)                   | (845,266)             |
| Highway Department   | 22,125,401     | 22,167,141              | -  | -                                      | -   | 41,740                      | 41,740                |
| Total Business-Type Activities                             | 30,294,918     | 29,311,380              | 180,012                                  | -                                      | -   | (803,526)                   | (803,526)             |
| Total Primary Government                                   | \$ 111,595,050 | \$ 41,547,894           | \$ 17,076,905                            | \$ 3,209,273                           | (48,957,452)                                      | (803,526)                   | (49,760,978)          |
| <b>GENERAL REVENUES</b>                                    |                |                         |  |  |   |                             |                       |
| Taxes:   |                |                         |  |  |   |                             |                       |
| Property Taxes   |                |                         |  |  | 43,634,665  | -                           | 43,634,665            |
| Sales Taxes  |                |                         |  |  | 12,632,884  | -                           | 12,632,884            |
| Other Taxes  |                |                         |  |  | 722,095   | -                           | 722,095               |
| State and Federal Aids Not Restricted to Specific Programs |                |                         |  |  | 838,867   | -                           | 838,867               |
| Interest and Investment Earnings                           |                |                         |  |  | 7,221,955   | -                           | 7,221,955             |
| Miscellaneous  |                |                         |  |  | 554,828   | 27,086                      | 581,914               |
| Total General Revenues                                     |                |                         |  |  | 65,605,294  | 27,086                      | 65,632,380            |
| <b>CHANGE IN NET POSITION</b>                              |                |                         |  |  |   |                             |                       |
|  |                |                         |  |  | 16,647,842  | (776,440)                   | 15,871,402            |
| Net Position - Beginning of Year                           |                |                         |  |  | 121,045,553                                       | 65,060,795                  | 186,106,348           |
| <b>NET POSITION - END OF YEAR</b>                          |                |                         |  |  | <u>\$ 137,693,395</u>                             | <u>\$ 64,284,355</u>        | <u>\$ 201,977,750</u> |

See accompanying Notes to Basic Financial Statements.



## **FUND FINANCIAL STATEMENTS**

**ST. CROIX COUNTY, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023**

**ASSETS**

|                                    | General Fund  | Health<br>and Human<br>Services Fund | Debt<br>Service Fund | Capital<br>Projects Fund | Nonmajor<br>Governmental<br>Funds | Total          |
|------------------------------------|---------------|--------------------------------------|----------------------|--------------------------|-----------------------------------|----------------|
| Treasurer's Cash and Investments   | \$ 29,316,746 | \$ 4,099,621                         | \$ 18,565            | \$ 66,480,084            | \$ 788,208                        | \$ 100,703,224 |
| Departmental Cash and Investments  | -             | -                                    | -                    | -                        | 3,695                             | 3,695          |
| Taxes Receivable                   | 27,279,632    | 8,301,613                            | 10,584,463           | -                        | -                                 | 46,165,708     |
| Accounts Receivable                | 782,915       | 1,297,879                            | -                    | 14,400                   | 320                               | 2,095,514      |
| Due from Other Governments         | 2,652,514     | 1,567,292                            | -                    | 40,152                   | 14,796                            | 4,274,754      |
| Due from Other Funds               | 10,903        | -                                    | -                    | -                        | -                                 | 10,903         |
| Prepaid Items                      | 20,940        | -                                    | -                    | -                        | -                                 | 20,940         |
| Long-Term Receivables              | 97,565        | -                                    | -                    | -                        | -                                 | 97,565         |
| Deposit in Public-Entity Risk Pool | 720,214       | -                                    | -                    | -                        | -                                 | 720,214        |
| Total Assets                       | \$ 60,881,429 | \$ 15,266,405                        | \$ 10,603,028        | \$ 66,534,636            | \$ 807,019                        | \$ 154,092,517 |

**LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES, AND FUND BALANCES**

|   |               |               |               |               |            |                |
|---|---------------|---------------|---------------|---------------|------------|----------------|
| <b>LIABILITIES</b>  |               |               |               |               |            |                |
| Vouchers and Accounts Payable                                       | \$ 883,573    | \$ 608,567    | \$ 500        | \$ 5,890,542  | \$ 57,939  | \$ 7,441,121   |
| Accrued Payroll   | 1,244,812     | 756,149       | -             | -             | 2,980      | 2,003,941      |
| Payroll Deductions  | 427,986       | -             | -             | -             | -          | 427,986        |
| Due to Other Governmental Units                                     | 318,377       | -             | -             | -             | 2,746      | 321,123        |
| Due to Other Funds  | -             | -             | -             | -             | 10,903     | 10,903         |
| Unearned Revenues   | 3,998,117     | 18,647        | -             | -             | -          | 4,016,764      |
| Special Deposits  | 13,248        | 82,860        | -             | -             | -          | 96,108         |
| Total Liabilities   | 6,886,113     | 1,466,223     | 500           | 5,890,542     | 74,568     | 14,317,946     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                |               |               |               |               |            |                |
| Succeeding Year's Property Taxes                                    | 26,214,353    | 8,301,613     | 10,584,463    | -             | -          | 45,100,429     |
| Deferred Inflows Related to Leases                                  | 65,403        | -             | -             | -             | -          | 65,403         |
| Unavailable Revenue - Other   | -             | 1,297,879     | -             | -             | -          | 1,297,879      |
| Total Deferred Inflows of Resources                                 | 26,279,756    | 9,599,492     | 10,584,463    | -             | -          | 46,463,711     |
| <b>FUND BALANCES</b>  |               |               |               |               |            |                |
| Nonspendable  | 1,903,998     | -             | -             | -             | -          | 1,903,998      |
| Restricted  | 13,878        | 21,957        | 18,065        | -             | 743,354    | 797,254        |
| Assigned  | 1,688,064     | 4,178,733     | -             | 60,644,094    | -          | 66,510,891     |
| Unassigned  | 24,109,620    | -             | -             | -             | (10,903)   | 24,098,717     |
| Total Fund Balances   | 27,715,560    | 4,200,690     | 18,065        | 60,644,094    | 732,451    | 93,310,860     |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 60,881,429 | \$ 15,266,405 | \$ 10,603,028 | \$ 66,534,636 | \$ 807,019 | \$ 154,092,517 |

See accompanying Notes to Basic Financial Statements.

**ST. CROIX COUNTY, WISCONSIN  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND  
BALANCES TO GOVERNMENTAL ACTIVITIES – NET POSITION  
DECEMBER 31, 2023**

|   |    |            |
|---|----|------------|
| Total Fund Balance - Governmental Funds | \$ | 93,310,860 |
|---|----|------------|

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

|                               |               |  |
|-------------------------------|---------------|--|
| Land                          | 5,860,906     |  |
| Land Improvements             | 5,097,226     |  |
| Buildings and Improvements    | 47,174,155    |  |
| Machinery and Equipment       | 22,495,240    |  |
| Right-to-Use Lease Equipment  | 10,196        |  |
| Right-to-Use Lease Vehicles   | 413,021       |  |
| Infrastructure                | 156,399,827   |  |
| Construction Work-in-Progress | 39,857,250    |  |
| Accumulated Depreciation      | (116,485,411) |  |
| Total                         | 160,822,410   |  |

Some receivables are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements:

|                                       |  |           |
|---------------------------------------|--|-----------|
| Health and Human Services Receivables |  | 1,297,879 |
|---------------------------------------|--|-----------|

Pension and other postemployment benefits assets or liabilities and related deferred outflows and inflows of resources, as applicable, are recorded only on the statement of net position. Balances at year-end are:

|   |              |          |
|---|--------------|----------|
| Total Other Postemployment Benefits Liability                       |              | (38,234) |
| Other Postemployment Benefits Related Deferred Outflow of Resources | 88,929       |          |
| Other Postemployment Benefits Related Deferred Inflow of Resources  | (993,605)    |          |
| Net Pension Liability   | (9,715,689)  |          |
| Pension Related Deferred Inflow of Resources                        | (20,348,653) |          |
| Pension Related Deferred Outflow of Resources                       | 36,362,248   |          |
| Total   | 5,354,996    |          |

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of:

|                          |               |             |
|--------------------------|---------------|-------------|
| Bonds Payable            |               | 118,795,000 |
| Notes Payable            | 2,722,000     |             |
| Accrued Interest         | 1,026,276     |             |
| Lease Liability          | 219,572       |             |
| Employee Leave Liability | 4,551,246     |             |
| Total                    | (127,314,094) |             |

Discounts and premiums are amortized over the lives of the related debt in the statement of net position. In the governmental funds these costs are considered expenditures/other financing uses when incurred.

(3,818,371)

The internal service funds are used by County management to charge the costs of the self-funded insurance programs to functions. The assets and liabilities of the self-funded insurance programs are reported as governmental activities.

8,039,715

|   |    |             |
|---|----|-------------|
| Net Position of Governmental Activities | \$ | 137,693,395 |
|---|----|-------------|

*See accompanying Notes to Basic Financial Statements.*

**ST. CROIX COUNTY, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

|  | General Fund  | Health<br>and Human<br>Services Fund | Debt<br>Service Fund | Capital<br>Projects Fund | Nonmajor<br>Governmental<br>Funds | Total         |
|--|---------------|--------------------------------------|----------------------|--------------------------|-----------------------------------|---------------|
| <b>REVENUES</b>  |               |                                      |                      |                          |                                   |               |
| Taxes  | \$ 38,385,265 | \$ 7,891,840                         | \$ 10,712,539        | \$ -                     | \$ -                              | \$ 56,989,644 |
| Intergovernmental  | 7,998,279     | 9,518,603                            | -                    | 3,209,273                | 117,126                           | 20,843,281    |
| Licenses and Permits   | 388,097       | -                                    | -                    | -                        | -                                 | 388,097       |
| Fines and Forfeits   | 200,577       | -                                    | -                    | -                        | 81,214                            | 281,791       |
| Public Charges for Services                                      | 2,923,965     | 8,505,389                            | -                    | -                        | 117,292                           | 11,546,646    |
| Intergovernmental Charges for Services                           | 32,908        | 11,072                               | -                    | -                        | -                                 | 43,980        |
| Miscellaneous:   |               |                                      |                      |                          |                                   |               |
| Investment Income  | 3,913,069     | -                                    | -                    | 3,308,886                | -                                 | 7,221,955     |
| Rent   | 85,132        | -                                    | -                    | -                        | -                                 | 85,132        |
| Other  | 23,557        | 369,295                              | -                    | -                        | 76,844                            | 469,696       |
| Total Revenues   | 53,950,849    | 26,296,199                           | 10,712,539           | 6,518,159                | 392,476                           | 97,870,222    |
| <b>EXPENDITURES</b>  |               |                                      |                      |                          |                                   |               |
| General Government   | 14,710,239    | -                                    | -                    | -                        | 285,423                           | 14,995,662    |
| Public Safety  | 17,330,059    | -                                    | -                    | -                        | 146,090                           | 17,476,149    |
| Transportation   | 8,920,277     | -                                    | -                    | -                        | -                                 | 8,920,277     |
| Sanitation   | 291,995       | -                                    | -                    | -                        | -                                 | 291,995       |
| Health and Human Services  | 1,184,786     | 27,479,377                           | -                    | -                        | 22,205                            | 28,686,368    |
| Culture, Recreation, and Education                               | 2,378,698     | -                                    | -                    | -                        | -                                 | 2,378,698     |
| Conservation and Development                                     | 2,878,775     | -                                    | -                    | -                        | -                                 | 2,878,775     |
| Capital Outlay   | 672           | -                                    | -                    | 34,433,212               | -                                 | 34,433,884    |
| Debt Service:  |               |                                      |                      |                          |                                   |               |
| Principal Retirement   | -             | -                                    | 9,159,000            | -                        | -                                 | 9,159,000     |
| Interest and Fiscal Charges                                      | -             | -                                    | 5,318,210            | -                        | -                                 | 5,318,210     |
| Total Expenditures   | 47,695,501    | 27,479,377                           | 14,477,210           | 34,433,212               | 453,718                           | 124,539,018   |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b> | 6,255,348     | (1,183,178)                          | (3,764,671)          | (27,915,053)             | (61,242)                          | (26,668,796)  |
| <b>OTHER FINANCING SOURCES (USES)</b>                            |               |                                      |                      |                          |                                   |               |
| Proceeds from Sale of Assets                                     | -             | -                                    | -                    | 275,070                  | -                                 | 275,070       |
| Transfers Out  | (300,000)     | -                                    | -                    | -                        | -                                 | (300,000)     |
| Total Other Financing Sources (Uses)                             | (300,000)     | -                                    | -                    | 275,070                  | -                                 | (24,930)      |
| <b>NET CHANGE IN FUND BALANCES</b>                               | 5,955,348     | (1,183,178)                          | (3,764,671)          | (27,639,983)             | (61,242)                          | (26,693,726)  |
| Fund Balances - Beginning of Year                                | 21,760,212    | 5,383,868                            | 3,782,736            | 88,284,077               | 793,693                           | 120,004,586   |
| <b>FUND BALANCES - END OF YEAR</b>                               | \$ 27,715,560 | \$ 4,200,690                         | \$ 18,065            | \$ 60,644,094            | \$ 732,451                        | \$ 93,310,860 |

See accompanying Notes to Basic Financial Statements.

**ST. CROIX COUNTY, WISCONSIN**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ (26,693,726)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. in the current period, these amounts are:

|  |                    |
|--|--------------------|
| Capital Expenses Reported in the Functional Expenditures of Governmental Fund Statements | 19,622,803         |
| Capital Outlays Reported in Governmental Fund Statements                                 | 26,015,073         |
| Depreciation Expense Reported in the Statement of Activities                             | <u>(7,931,935)</u> |
| Total  | 37,705,941         |

In the statement of activities, only the gain (loss) on the disposal of capital assets is reported whereas in the governmental funds, the proceeds from sales increase financial resources and trade-ins are not reflected in capital outlays. (346,303)

Receivables not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 77,752

Pension and other postemployment benefit expenditures in the governmental funds are measured by current year employee contributions. Pension and total other postemployment benefit expenses on the statement of activities are measured by the change in net pension and total other postemployment benefits assets or liabilities and related deferred outflows and inflows of resources. (2,001,080)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

|   |                  |
|---|------------------|
| General Obligation Bond Principal Retirement  | 7,325,000        |
| General Obligation Notes Principal Retirement | <u>1,834,000</u> |
| Total   | 9,159,000        |

The internal service fund is used by the County management to charge the costs of the various self-funded insurance program to functions. the change in net position of these internal service funds are allocated to governmental activities and business-type activities. (859,677)

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

|  |                  |
|--|------------------|
| Net Change in Accrued Interest         | 617,723          |
| Net Change in Employee Leave Liability | (1,475,588)      |
| Net Change in Lease Liability          | (7,430)          |
| Net Change in Bond Discounts/Premiums  | <u>471,230</u>   |
| Total                                  | <u>(394,065)</u> |

Change in Net Position of Governmental Activities \$ 16,647,842

*See accompanying Notes to Basic Financial Statements.*

**ST. CROIX COUNTY, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2023**

|   | Business-Type Activities - Enterprise Funds |                       |               | Internal<br>Service Funds |
|---|---|-----------------------|---------------|---------------------------|
|   | Nursing<br>Home                             | Highway<br>Department | Total         |                           |
| <b>ASSETS</b>                                     |   |                       |               |                           |
| Current Assets:                                   |   |                       |               |                           |
| Cash and Investments                              | \$ 1,003,749                                | \$ 9,076,325          | \$ 10,080,074 | \$ 11,151,370             |
| Cash and Investments Held by Fiscal Agents        | -   | -                     | -             | 387,945                   |
| Accounts Receivable                               | -   | 128,555               | 128,555       | 218,227                   |
| Resident Accounts Receivable, Net                 | 862,178                                     | -                     | 862,178       | -                         |
| Due from Other Governmental Units                 | -   | 959,748               | 959,748       | -                         |
| Other Assets and Prepaid Items                    | -   | 2,031,570             | 2,031,570     | -                         |
| Total Current Assets                              | 1,865,927                                   | 12,196,198            | 14,062,125    | 11,757,542                |
| Restricted Assets:                                |   |                       |               |                           |
| Cash and Investments:                             |   |                       |               |                           |
| Donation Funds                                    | 62,983                                      | -                     | 62,983        | -                         |
| Capital Assets:                                   |   |                       |               |                           |
| Capital Assets                                    | 22,567,861                                  | 53,605,091            | 76,172,952    | -                         |
| Less: Accumulated Depreciation                    | 5,057,447                                   | 18,647,635            | 23,705,082    | -                         |
| Net Capital Assets                                | 17,510,414                                  | 34,957,456            | 52,467,870    | -                         |
| Construction Work-in-Progress                     | -   | 116,705               | 116,705       | -                         |
| Total Capital Assets                              | 17,510,414                                  | 35,074,161            | 52,584,575    | -                         |
| Total Assets                                      | 19,439,324                                  | 47,270,359            | 66,709,683    | 11,757,542                |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>             |   |                       |               |                           |
| Wisconsin Retirement System Pension Related       | 3,052,303                                   | 5,993,518             | 9,045,821     | -                         |
| Other Postemployment Benefit Items                | -   | 26,563                | 26,563        | -                         |
| Total Deferred Outflows of Resources              | 3,052,303                                   | 6,020,081             | 9,072,384     | -                         |
| <b>LIABILITIES</b>                                |   |                       |               |                           |
| Current Liabilities:                              |   |                       |               |                           |
| Accounts Payable                                  | 303,733                                     | 413,861               | 717,594       | 1,289,466                 |
| Accrued Payroll                                   | 197,425                                     | 379,531               | 576,956       | -                         |
| Accrued Claims Payable                            | -   | -                     | -             | 1,743,077                 |
| Accrued Employee Leave                            | 109,294                                     | 679,307               | 788,601       | -                         |
| Unearned Revenues                                 | -   | 1,891,482             | 1,891,482     | -                         |
| Security Deposits Payable                         | 55,034                                      | -                     | 55,034        | -                         |
| Resident Trust Funds                              | 7,559                                       | -                     | 7,559         | -                         |
| Total Current Liabilities                         | 673,045                                     | 3,364,181             | 4,037,226     | 3,032,543                 |
| Long-Term Liabilities, Net of Current Portion:    |   |                       |               |                           |
| Accrued Employee Leave                            | 315,992                                     | -                     | 315,992       | -                         |
| Total Other Postemployment Benefits Liability     | -   | 11,421                | 11,421        | -                         |
| Wisconsin Retirement System Net Pension Liability | 821,887                                     | 1,608,806             | 2,430,693     | -                         |
| Total Long-Term Liabilities                       | 1,137,879                                   | 1,620,227             | 2,758,106     | -                         |
| Total Liabilities                                 | 1,810,924                                   | 4,984,408             | 6,795,332     | 3,032,543                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>              |   |                       |               |                           |
| Wisconsin Retirement System Pension Items         | 1,721,369                                   | 3,369,502             | 5,090,871     | -                         |
| Other Postemployment Benefit Items                | -   | 296,793               | 296,793       | -                         |
| Total Deferred Inflows of Resources               | 1,721,369                                   | 3,666,295             | 5,387,664     | -                         |
| <b>NET POSITION</b>                               |   |                       |               |                           |
| Net Investment in Capital Assets                  | 17,510,414                                  | 35,074,161            | 52,584,575    | -                         |
| Restricted for Donation Funds                     | 7,949                                       | -                     | 7,949         | -                         |
| Unrestricted                                      | 1,440,971                                   | 9,565,576             | 11,006,547    | 8,724,999                 |
| Total Net Position                                | \$ 18,959,334                               | \$ 44,639,737         | \$ 63,599,071 | \$ 8,724,999              |

See accompanying Notes to Basic Financial Statements.

**ST. CROIX COUNTY, WISCONSIN  
RECONCILIATION OF TOTAL ENTERPRISE FUND NET POSITION  
TO THE NET POSITION OF BUSINESS-TYPE ACTIVITIES  
PROPRIETARY FUNDS  
DECEMBER 31, 2023**

|                                       |               |
|---------------------------------------|---------------|
| Total Net Position - Enterprise Funds | \$ 63,599,071 |
|---------------------------------------|---------------|

Amounts reported for business-type activities in the statement of net position are different because:

The internal service funds are used by County's management to charge the costs of the self-funded insurance programs to functions. The assets and liabilities of the self-funded insurance programs are allocated between governmental activities and business-type activities.

|                |
|----------------|
| <u>685,284</u> |
|----------------|

|  |                             |
|--|-----------------------------|
| Net Position of Business-Type Activities | <u><u>\$ 64,284,355</u></u> |
|--|-----------------------------|

*See accompanying Notes to Basic Financial Statements.*

**ST. CROIX COUNTY, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

|   | Business-Type Activities - Enterprise Funds |                       |                      | Internal            |
|---|---|-----------------------|----------------------|---------------------|
|   | Nursing<br>Home                             | Highway<br>Department | Total                | Service Funds       |
| <b>OPERATING REVENUES</b>                   |   |                       |                      |                     |
| Charges for Services                        | \$ 7,127,456                                | \$ 19,693,080         | \$ 26,820,536        | \$ 12,045,665       |
| Miscellaneous                               | 16,783                                      | 2,474,061             | 2,490,844            | 4,354,440           |
| Total Operating Revenues                    | 7,144,239                                   | 22,167,141            | 29,311,380           | 16,400,105          |
| <b>OPERATING EXPENSES</b>                   |   |                       |                      |                     |
| Daily Patient Services                      | 2,820,721                                   | -                     | 2,820,721            | -                   |
| Special Services                            | 2,133,323                                   | -                     | 2,133,323            | -                   |
| Transportation Services                     | -   | 18,537,266            | 18,537,266           | 181,204             |
| Premiums and Claims                         | -   | -                     | -                    | 16,774,340          |
| General and Administrative                  | 2,436,097                                   | 1,545,926             | 3,982,023            | 1,056,026           |
| Depreciation                                | 610,115                                     | 1,781,385             | 2,391,500            | -                   |
| Total Operating Expenses                    | 8,000,256                                   | 21,864,577            | 29,864,833           | 18,011,570          |
| <b>OPERATING INCOME (LOSS)</b>              | (856,017)                                   | 302,564               | (553,453)            | (1,611,465)         |
| <b>NONOPERATING REVENUES<br/>(EXPENSES)</b> |   |                       |                      |                     |
| Interest Revenue                            | -   | -                     | -                    | 33,316              |
| Supplemental Payment Revenue                | 165,828                                     | -                     | 165,828              | -                   |
| Insurance Reimbursement                     | 27,086                                      | -                     | 27,086               | -                   |
| Restricted Donations Received               | 14,184                                      | -                     | 14,184               | -                   |
| Restricted Donations Expended               | (11,613)                                    | -                     | (11,613)             | -                   |
| Total Nonoperating Revenues<br>(Expenses)   | 195,485                                     | -                     | 195,485              | 33,316              |
| <b>INCOME (LOSS) BEFORE TRANSFERS IN</b>    | (660,532)                                   | 302,564               | (357,968)            | (1,578,149)         |
| <b>TRANSFERS IN</b>                         | -   | -                     | -                    | 300,000             |
| <b>CHANGE IN NET POSITION</b>               | (660,532)                                   | 302,564               | (357,968)            | (1,278,149)         |
| Net Position - Beginning of Year            | 19,619,866                                  | 44,337,173            | 63,957,039           | 10,003,148          |
| <b>NET POSITION - END OF YEAR</b>           | <u>\$ 18,959,334</u>                        | <u>\$ 44,639,737</u>  | <u>\$ 63,599,071</u> | <u>\$ 8,724,999</u> |

See accompanying Notes to Basic Financial Statements.



**ST. CROIX COUNTY, WISCONSIN  
RECONCILIATION OF ENTERPRISE FUND CHANGES IN NET POSITION  
TO THE BUSINESS-TYPE CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2023**

|   |              |
|---|--------------|
| Net Change in Net Position for Enterprise Funds | \$ (357,968) |
|---|--------------|

Amounts reported for business-type activities in the statement of activities are different because:

The internal service fund is used by the County's management to charge the costs of the various self-funded insurance program to functions. The change in net position of these internal service funds is allocated to governmental activities business-type activities.

|                  |
|------------------|
| <u>(418,472)</u> |
|------------------|

|  |
|--|
| Change in Net Position of Business-Type Activities |
|--|

|                            |
|----------------------------|
| <u><u>\$ (776,440)</u></u> |
|----------------------------|

*See accompanying Notes to Basic Financial Statements.*

**ST. CROIX COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2023**

|   | Business-Type Activities - Enterprise Funds |                     |                      | Internal Service Funds |
|---|---|---------------------|----------------------|------------------------|
|   | Nursing Home                                | Highway Department  | Total                |                        |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |   |                     |                      |                        |
| Cash Received for Services Provided                             | \$ 7,056,809                                | \$ 22,902,005       | \$ 29,958,814        | \$ 16,222,719          |
| Cash Paid to Suppliers for Goods and Services                   | (4,392,840)                                 | (21,045,736)        | (25,438,576)         | -                      |
| Cash Paid for Employee Services                                 | (2,511,192)                                 | 250,393             | (2,260,799)          | -                      |
| Cash Paid for Claims/Premiums/Administrative Services           | -   | -                   | -                    | (17,565,788)           |
| Net Cash Provided (Used) by Operating Activities                | 152,777                                     | 2,106,662           | 2,259,439            | (1,343,069)            |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>          |   |                     |                      |                        |
| Transfers from County   | -   | -                   | -                    | 300,000                |
| Other Nonoperating Income                                       | 27,086                                      | -                   | 27,086               | -                      |
| Net Change in Restricted Funds                                  | 2,413                                       | -                   | 2,413                | -                      |
| Cash Received from Supplement Payment Program                   | 165,828                                     | -                   | 165,828              | -                      |
| Net Cash Provided by Noncapital Financing Activities            | 195,327                                     | -                   | 195,327              | 300,000                |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b> |   |                     |                      |                        |
| Acquisition of Capital Assets                                   | (307,391)                                   | (2,276,989)         | (2,584,380)          | -                      |
| Cash Proceeds Received on Sale of Capital Assets                | -   | 383,623             | 383,623              | -                      |
| Net Cash Used by Capital and Related Financing Activities       | (307,391)                                   | (1,893,366)         | (2,200,757)          | -                      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |   |                     |                      |                        |
| Interest on Investments   | -   | -                   | -                    | 33,316                 |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>                  | 40,713                                      | 213,296             | 254,009              | (1,009,753)            |
| Cash and Cash Equivalents - Beginning of Year                   | 1,026,019                                   | 8,863,029           | 9,889,048            | 12,549,068             |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                  | <u>\$ 1,066,732</u>                         | <u>\$ 9,076,325</u> | <u>\$ 10,143,057</u> | <u>\$ 11,539,315</u>   |

See accompanying Notes to Basic Financial Statements.

**ST. CROIX COUNTY, WISCONSIN**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

|   | Business-Type Activities - Enterprise Funds |                     |                      | Internal              |
|---|---|---------------------|----------------------|-----------------------|
|   | Nursing                                     | Highway             |                      | Service               |
|   | Home  | Department          | Total                | Funds                 |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO</b>     |   |                     |                      |                       |
| <b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b> |   |                     |                      |                       |
| Operating Income (Loss)                                 | \$ (856,017)                                | \$ 302,564          | \$ (553,453)         | \$ (1,611,465)        |
| Adjustments to Reconcile Operating Income (Loss) to     |   |                     |                      |                       |
| Net Cash Provided (Used) by Operating Activities:       |   |                     |                      |                       |
| Depreciation  | 610,115                                     | 1,781,385           | 2,391,500            | -                     |
| Net Change in WRS Pension Asset                         | 1,342,779                                   | 2,518,989           | 3,861,768            | -                     |
| Net Change in WRS Pension Deferred Outflow              | (457,132)                                   | (1,094,255)         | (1,551,387)          | -                     |
| Net Change in WRS Pension Liability                     | 821,887                                     | 1,608,806           | 2,430,693            | -                     |
| Net Change in WRS Pension Deferred Inflow               | (1,439,591)                                 | (2,560,306)         | (3,999,897)          | -                     |
| Net Change in Other Postemployment Benefits             |   |                     |                      |                       |
| Deferred Outflows                                       | -   | (636)               | (636)                | -                     |
| Net Change in Total Other Postemployment                |   |                     |                      |                       |
| Benefits Liability                                      | -   | (20,695)            | (20,695)             | -                     |
| Net Change in Other Postemployment Benefits             |   |                     |                      |                       |
| Deferred Inflows  | -   | (89,540)            | (89,540)             | -                     |
| (Increase) Decrease in Assets:                          |   |                     |                      |                       |
| Accounts Receivable                                     | -   | (128,555)           | (128,555)            | (177,386)             |
| Other Accounts Receivable                               | (77,913)                                    | -                   | (77,913)             | -                     |
| Due from Other Governmental Units                       | -   | 836,805             | 836,805              | -                     |
| Prepaid Items and Other Assets                          | -   | (753,916)           | (753,916)            | -                     |
| Increase (Decrease) in Liabilities:                     |   |                     |                      |                       |
| Accounts Payable  | 188,203                                     | (208,628)           | (20,425)             | 191,712               |
| Accrued Claims/Losses Payable                           | -   | -                   | -                    | 254,070               |
| Accrued Liabilities                                     | (973)                                       | (111,970)           | (112,943)            | -                     |
| Accrued Employee Leave                                  | 30,936                                      | -                   | 30,936               | -                     |
| Security Deposits Payable                               | (9,517)                                     | -                   | (9,517)              | -                     |
| Unearned Revenue  | -   | 26,614              | 26,614               | -                     |
| Net Cash Provided (Used) by Operating Activities        | <u>\$ 152,777</u>                           | <u>\$ 2,106,662</u> | <u>\$ 2,259,439</u>  | <u>\$ (1,343,069)</u> |
| <b>RECONCILIATION OF CASH AND INVESTMENTS</b>           |   |                     |                      |                       |
| <b>TO CASH AND CASH EQUIVALENTS</b>                     |   |                     |                      |                       |
| Cash and Investments per Statement of Net               |   |                     |                      |                       |
| Position:   |   |                     |                      |                       |
| Cash and Investments                                    | \$ 1,003,749                                | \$ 9,076,325        | \$ 10,080,074        | \$ 11,151,370         |
| Cash Held by Fiscal Agents                              | -   | -                   | -                    | 387,945               |
| Cash and Investments - Restricted                       | <u>62,983</u>                               | <u>-</u>            | <u>62,983</u>        | <u>-</u>              |
| Cash and Cash Equivalents                               | <u>\$ 1,066,732</u>                         | <u>\$ 9,076,325</u> | <u>\$ 10,143,057</u> | <u>\$ 11,539,315</u>  |

See accompanying Notes to Basic Financial Statements.

**ST. CROIX COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2023**

|   | <u>Custodial Funds</u>     |
|---|----------------------------|
| <b>ASSETS</b>                                     |                            |
| Treasurer's Cash and Investments                  | \$ 21,058,494              |
| Departmental Cash and Investments                 | 2,462,725                  |
| Special Assessments Receivable                    | <u>48,951</u>              |
| Total Assets                                      | 23,570,170                 |
| <b>LIABILITIES</b>                                |                            |
| Due to Other Governments                          | 19,698,719                 |
| Due to Individuals                                | 24,276                     |
| Accounts Payable                                  | <u>3,832</u>               |
| Total Liabilities                                 | 19,726,827                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>              |                            |
| Succeeding Year's Property Taxes                  | <u>2,680,876</u>           |
| <b>NET POSITION</b>                               |                            |
| Restricted for:                                   |                            |
| Individuals, Organizations, and Other Governments | <u><u>\$ 1,162,467</u></u> |

*See accompanying Notes to Basic Financial Statements.*

**ST. CROIX COUNTY, WISCONSIN  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2023**

|   | <u>Custodial Funds</u>     |
|---|----------------------------|
| <b>ADDITIONS</b>  |                            |
| Contributions:  |                            |
| Individuals   | \$ 751,208                 |
| Property Tax Collections for Other Governments          | 56,642,020                 |
| Fines and Forfeitures                                   | 2,414,610                  |
| License and Fees Collected for State                    | <u>5,389,793</u>           |
| Total Additions   | 65,197,631                 |
| <b>DEDUCTIONS</b>                                       |                            |
| Payments of Property Tax to Other Governments           | 57,402,830                 |
| Payments to Other Governments                           | 2,417,608                  |
| Distribution to Participants                            | <u>5,388,093</u>           |
| Total Deductions  | <u>65,208,531</u>          |
| <b>NET DECREASE IN FIDUCIARY NET POSITION</b>           | (10,900)                   |
| Fiduciary Net Position - Beginning of Year              | 2,493,127                  |
| Prior Period Adjustment                                 | <u>(1,319,760)</u>         |
| Fiduciary Net Position - Beginning of Year, as Restated | <u>1,173,367</u>           |
| <b>FIDUCIARY NET POSITION - END OF YEAR</b>             | <u><u>\$ 1,162,467</u></u> |

*See accompanying Notes to Basic Financial Statements.*

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of St. Croix County, Wisconsin, Wisconsin, (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described below:

**A. Financial Reporting Entity**

The County is governed by a board of supervisors (the Board) consisting of nineteen elected members.

The financial reporting of the County is defined by the GASB to consist of: (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the County consist solely of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the County.

**B. Government-Wide and Fund Financial Statements**

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds) as described below:

Government-Wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable to a specific function or segment. Program revenues include: (a) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**ST. CROIX COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, fund equity, revenues, and expenditures/expenses.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

*General Fund* – The General Fund is the operating fund of the County. It is used to account for all financial resources of the County, except those required to be accounted for in another fund.

*Health and Human Services Fund* – The Health and Human Services Fund, a special revenue fund, is used to account for the County's health programs and human services programs. Through the human services programs, the County provides mental health, developmental disabilities and alcoholism and drug abuse rehabilitation services to residents of the County and administers the various social services and income maintenance programs provided by and through the County. These programs are funded primarily by intergovernmental revenues, and property taxes, committed through the Board approved levy.

*Debt Service Fund* – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs of governmental funds, which are financed by property tax revenues restricted through bond documents.

*Capital Projects Fund* – The capital projects fund is used to account for all ongoing projects for the County.

All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major enterprise funds:

*Nursing Home Fund* – This fund accounts for the operations of the County's nursing home. This primary source of revenue is from the charges for the services provided.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

Fund Financial Statements (Continued)

*Highway Department Fund* – This fund is used to account for the County's highway department operations, which provides services both to the County and to the state and other local districts. This fund is reported as an enterprise fund because the majority of its operating revenue is derived from charges to the state and local districts.

The County had no other enterprise funds to report as nonmajor funds, but does report the following internal service funds:

- Internal service funds are used to account for the County's various self-funded health, workers' compensation, and liability insurance programs and the retiree health savings account. The primary source of revenue is from the premiums paid.

Additionally, the County reports the following fiduciary funds:

- Custodial funds (fiduciary funds) are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units.

**C. Measurement Focus and Basis of Accounting**

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the County gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.



**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are deemed to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County generally considers revenues reported in the governmental funds to be available if they are collected within sixty days after the end of the current fiscal period. Client billings for the human services programs are recognized when received. State and federal aids under cost reimbursement programs are generally recognized when earned if expected to be collected in the subsequent year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, miscellaneous taxes, cost reimbursement grant programs, public charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are generally considered to be measurable and available only when cash is received by the government.

The County reports deferred inflows of resources on its statement of net position and fund balance sheet. Deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when resources are received by the County before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the deferred inflow of resources or the liability for unearned revenue is removed from the statement of net position and fund balance sheet and revenue is recognized.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments between governmental activities and business-type activities for services provided.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the nursing home are charges for resident services. The principal operating revenue of the highway fund are charges for construction and maintenance services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets. All revenues and expense not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in financial statements and accompanying notes. Actual results could differ from those estimates.

**D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position of Equity**

**1. Cash and Investments**

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

Investment of County funds is restricted by state statutes. Available investments are limited to:

- a) Time deposits in any credit union, bank, savings bank, or trust company maturing in three years or less;
- b) Bonds or securities issued or guaranteed by the federal government;

**ST. CROIX COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position of Equity (Continued)**

**1. Cash and Investments (Continued)**

- c) Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority;
- d) Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency;
- e) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options;
- f) Bonds or securities issued under the authority of the municipality;
- g) The local government investment pool; or
- h) Repurchase agreements with public depositories, with certain conditions.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

Investment of most trust funds is regulated by Chapter 881 of the Wisconsin Statutes. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

Investments of the County are stated at fair value and amortized cost depending on type.

**2. Receivables and Payables**

Property Taxes

Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach an enforceable lien as of January 1. In addition to property taxes for the County, taxes are also collected for and remitted to the various other taxing jurisdictions. Taxes billed for the taxing jurisdictions are recorded as receivables and due other governmental units in the custodial fund statement of fiduciary net position. Since County property taxes are not considered earned until January 1 of the year following the levy, they are recorded as deferred inflows of resources in the funds budgeted therefore.

**ST. CROIX COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position of Equity (Continued)**

**2. Receivables and Payables (Continued)**

Property Taxes (Continued)

The County is also responsible for the collection of all delinquent and postponed property taxes levied by the local taxing districts within its boundaries, except delinquent personal property taxes which are retained by the local municipal district. Real property taxes are payable in full to the local districts on or before January 31 or, alternatively, if over \$100, can be paid in two equal installments with the first installment payable on or before January 31 and the second installment payable on or before July 31. Personal property taxes and special assessments, special charges (including delinquent utility billings) and special taxes placed on the tax roll are payable in full on or before January 31. All uncollected items on the current tax roll, except delinquent personal property taxes, are turned over to the St. Croix County Treasurer for collection in February. The County subsequently settles in full with the local districts in August of the same year, except for delinquent special assessments and other special charges. All uncollected taxes returned to the County for collection are financed through the general fund, except for delinquent special assessments of the districts. A portion of the general fund's equity balance is nonspendable for the County's investment in delinquent taxes.

Accounts Receivable

Client accounts receivable in the health and human services fund are offset by an allowance for doubtful accounts of approximately \$797,067. Resident accounts receivable in the nursing home fund are offset by an allowance for doubtful accounts of \$70,000. All other accounts receivable are considered to be collectible in full.

Third-Party Reimbursement Agreements

Medicaid

The Nursing Home (the Home) participates in the Medicaid program that is administrated by the Wisconsin Department of Human Services (DHS). Revenues for provided services are recognized by the Home as services are provided. Rates for services provided to residents under the Title XIX Wisconsin Medical Assistance Program are based on cost reports submitted by the Home and a formula determined by the Wisconsin Department of Human Services. Average Title XIX rates cannot exceed private pay rates. Title XIX rates are subject to retroactive adjustment.

**ST. CROIX COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position of Equity (Continued)**

**2. Receivables and Payables (Continued)**

Third-Party Reimbursement Agreements (Continued)

Medicaid (Continued)

The State of Wisconsin Department of Human Services also provides additional reimbursement to county nursing facilities through the intergovernmental transfer program based on the shortfall between a facility's Medicaid reimbursement and the cost of providing the related care. These additional settlement amounts are reflected as nonoperating gains. The amount of \$165,828 was recognized during the year ended December 31, 2023.

Medicare

By state statute, a nursing home facility which participates in the Medicaid program must also participate in the Medicare program. This program is administered by the Centers for Medicare and Medicaid Services.

The Home is paid under the Medicare prospective payment system (PPS) for residents who are Medicare eligible. The PPS is a per diem price-based system.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Resident service revenues were \$7,127,456 and there were no contractual adjustments in the current year.

During the year ended December 31, 2023, the occupancy percentages and the percentages of residents covered under the Medicare and Medicaid programs were as follows:

|                 |        |
|-----------------|--------|
| Total Occupancy | 56.0 % |
| Medicaid        | 36.8   |
| Medicare        | 18.0   |

**ST. CROIX COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position of Equity (Continued)**

**2. Receivables and Payables (Continued)**

Interfund Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances". Advances between funds, as reported in the fund financial statements, are classified as nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**3. Other Assets and Prepaid Items**

Other assets of the County's highway fund are reflected at average cost. These items are consumed in the operation of the highway fund including culverts, repair parts, and various medical supplies on hand. Other assets of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**4. Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations may be required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

**ST. CROIX COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position of Equity (Continued)**

**5. Capital Assets**

Government-Wide Statements

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with initial, individual costs as shown below and an estimated useful life of one year or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. In the case of the initial capitalization of general infrastructure reported in governmental activities, the County chose to include all such items regardless of their acquisition date or amount. The County was able to estimate the historical cost for the initial reporting of these assets through back-trending (estimating the current replacement costs of the infrastructure to be capitalized and using an appropriate price-level index to deflate the costs to the acquisition year or estimated acquisition year).

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation and amortization methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

|                               | Capitalization<br>Threshold | Depreciation<br>Method | Estimated<br>Useful Life |
|-------------------------------|-----------------------------|------------------------|--------------------------|
| Land and Land Improvements    | \$ 5,000                    | Straight-Line          | 5 to 25 Years            |
| Buildings and Improvements    | 5,000                       | Straight-Line          | 25 to 40 Years           |
| Machinery and Equipment       | 5,000                       | Straight-Line          | 4 to 20 Years            |
| Right-to-Use Leased Equipment | 5,000                       | Straight-Line          | 4 to 20 Years            |
| Infrastructure                | 5,000                       | Straight-Line          | 25 to 60 Years           |

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position of Equity (Continued)**

**6. Leases (Lessee)**

The County determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the County's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the County's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the County will exercise that option.

The County has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the County has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The County accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the County treats the components as a single lease unit.



**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position of Equity (Continued)**

**7. Leases (Lessor)**

Lease receivables represent the County's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The County has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the County has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The County accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the County treats the components as a single lease unit.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position of Equity (Continued)**

**8. Deferred Outflows of Resources**

The County would report decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position or governmental fund balance sheet. Deferred outflows of resources are reported in these financial statements for Wisconsin Retirement System pension items and other postemployment benefit items.

**9. Deferred Inflows of Resources**

The County's governmental activities, business-type activities, governmental and enterprise fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The County will not recognize the related revenue until a future event occurs. The County has two types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the County's year) under the modified accrual basis of accounting. The County also reports deferred inflows of resources for pension and other postemployment benefit items.

**10. Compensated Absences**

It is the County's policy to permit employees to accumulate paid leave benefits. Liabilities for accumulated employee leave benefits are not accrued in the County's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned. The County's policies and estimated liabilities at year-end are further discussed in Note 4.B.

**11. Wisconsin Retirement System Pension Plan Benefits**

For purposes of measuring the net pension asset, liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position of Equity (Continued)**

**12. Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**13. Equity Classifications**

Fund equity, representing the difference between assets, liabilities and deferred inflows/outflows, is classified as follows in the County's financial statements:

Government-Wide and Proprietary Fund Statements

Fund equity is classified as net position in the government-wide and proprietary fund financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted. When both restricted and unrestricted net position are available for use, it is the County's policy to use restricted resources first and unrestricted resources next to the extent they are needed.

Fund Financial Statements

In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position of Equity (Continued)**

**13. Equity Classifications (Continued)**

Fund Financial Statements (Continued)

Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. It is the County's policy that at the end of each fiscal year, the County will maintain unassigned portions of the fund balance at a minimum of 35% of the general fund operating expenditures. Committed fund balance is required to be established, modified, or rescinded by resolution of the County Board prior to each year-end. Based on resolution of the County Board, the County Administrator has the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for expenditure, it is the County's practice to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for expenditure, it is the County's practice to use committed, assigned and finally unassigned fund balance.

**14. Adoption of New Accounting Standards**

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangements (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires no disclosures regarding a SBITA.

The County adopted the requirements of the guidance effective January 1, 2023, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

**NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund financial statements and the government-wide financial statements, certain financial transactions are treated differently. Reconciliations of the fund equity and changes thereto in the fund financial statements to the net position and revenues/expenses shown in the government-wide financial statements are presented as referenced in the table of contents for the governmental funds and for the enterprise funds.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

GAAP require the disclosure of individual funds that have deficit balances at year-end. At December 31, 2023, the Stop Drugs Fund had deficit fund balance of \$10,903. The County plans to eliminate this deficit through future donations and increased tax levy support if necessary.

**NOTE 4 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The County's cash and investments balances at December 31, 2023, are shown in the financial statements as follows:

|                          |                              |
|--------------------------|------------------------------|
| Governmental Activities  | \$ 112,246,234               |
| Business-Type Activities | 10,143,057                   |
| Fiduciary Activity       | <u>23,521,219</u>            |
| Total                    | <u><u>\$ 145,910,510</u></u> |

The above cash and investments balances consisted of the following:

|   |                              |
|---|------------------------------|
| Treasurer's Cash and Investments:               |                              |
| Deposits at Financial Institutions              | \$ 20,785,277                |
| Deposits in State Local Government:             |                              |
| Pooled-Investment Fund                          | 18,433,421                   |
| Money Market Savings Account                    | 24,548                       |
| Investments in Federal Obligations              | <u>103,750,447</u>           |
| Total Treasurer's Cash and Investments          | 142,993,693                  |
| Departmental Cash and Investments:              |                              |
| Deposits in Financial Institutions              | 2,462,725                    |
| Petty Cash                                      | <u>3,347</u>                 |
| Total Departmental Cash and Investments         | 2,466,072                    |
| Cash and Investments Held by Fiscal Agents:     |                              |
| Deposits with WMMIC                             | 387,945                      |
| Restricted Cash and Investments:                |                              |
| Deposits in Financial Institutions:             |                              |
| County Funds                                    | <u>62,983</u>                |
| Total Cash and Investments at December 31, 2023 | <u><u>\$ 145,910,693</u></u> |

**ST. CROIX COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

Deposits at Financial Institutions

The County's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$250,000 for time and savings deposits and up to \$250,000 for demand deposits at any institution. In addition, funds held for individuals are subject to coverage in the name of the beneficiary in whose name the trust fund is held. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the County to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk for deposits is the risk that in the event of bank failure, the County's deposits may not be returned. At December 31, 2023, all of the County's deposits were insured or collateralized.

Investments

The County's investments at December 31, 2023, consisted of deposits in the state of Wisconsin Local Government Investment Pool (an external investment pool), U.S. government agencies and instrumentalities, obligations, and a money market fund associated with its investments in federal securities.

State Local Government Pooled-Investment Fund

The state of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in the State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit.

Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2023 was 18 days. LGIP is not registered with the SEC and the regulatory authority of the LGIP. The County's investment in LGIP is valued at amortized cost.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

Investments (Continued)

Certificates of Deposit and U.S. Government Agencies and Instrumentalities Obligations

The County's investments in these obligations at December 31, 2023, are as follows:

| Description                     | Investment Maturities |                      |                      | Total                 |
|---------------------------------|-----------------------|----------------------|----------------------|-----------------------|
|                                 | Less than<br>1 Year   | 1 to 2 Years         | More than<br>3 Years |                       |
| Debt Instruments:               |                       |                      |                      |                       |
| US Treasury Securities          | \$ 18,804,980         | \$ -                 | \$ -                 | \$ 18,804,980         |
| Certificate of Deposit          | 4,786,690             | 5,195,288            | 243,544              | 10,225,522            |
| Asset Backed Securities - FHLMC | -                     | 145,706              | -                    | 145,706               |
| US Government Bonds - Ag        | 994,940               | -                    | -                    | 994,940               |
| US Government Bonds - FHLB      | 19,786,510            | 34,212,000           | 1,851,747            | 55,850,257            |
| Municipal Bonds                 | 11,628,045            | 1,578,154            | 2,551,603            | 15,757,802            |
| Corporate Bonds                 | -                     | 1,971,240            | -                    | 1,971,240             |
| Total                           | <u>\$ 56,001,165</u>  | <u>\$ 43,102,388</u> | <u>\$ 4,646,894</u>  | <u>\$ 103,750,447</u> |

Generally, the above obligations are subject to call prior to the stated maturity date. It is the County's general policy to hold the obligations until maturity or call. The listed obligations are guaranteed by the issuing agency/instrumentality.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The County's policy is to invest its funds in accordance with provisions of the Wisconsin Statutes previously discussed in Note 1.D.1.

As of December 31, 2023, the County's investments were rated as follows:

| Type                            | Credit<br>Quality Rating | Amount        |
|---------------------------------|--------------------------|---------------|
| U.S. Treasuries                 | AA+                      | \$ 18,804,980 |
| Asset Backed Securities - FHLMC | AA+                      | 145,706       |
| US Government Bonds - Ag        | AA+                      | 994,940       |
| US Government Bonds - FHLB      | AA+                      | 55,850,257    |
| Municipal Bonds                 | AA+                      | 15,757,802    |
| Certificates of Deposit         | Not Rated                | 10,225,522    |
| Money Market Funds              | Not Rated                | 1,971,240     |
| LGIP                            | Not Rated                | 18,433,421    |

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates further into the future are more sensitive to changes in market interest rates. The short weighted average maturity of the investments in the LGIP mitigates this risk to the County. Also, it is the County's policy to invest in securities that mature in seven years or less.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

Investments (Continued)

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. At December 31, 2023, the investment portfolio was concentrated as follows (investment holdings individually greater than 5% of the total investment portfolio):

| Type                       | Amount                | Percentage |
|----------------------------|-----------------------|------------|
| US Treasury Securities     | \$ 18,804,980         | 18.1       |
| Certificate of Deposit     | 10,225,522            | 9.9        |
| US Government Bonds - FHLB | 55,850,257            | 53.8       |
| Municipal Bonds            | 15,757,802            | 15.2       |
| Total                      | <u>\$ 103,750,447</u> |            |

The County uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The County follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the County has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

*Level 2* – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

*Level 3* – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.



**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

Investments (Continued)

Assets of the County measured at fair value on a recurring basis:

| Description                              | Level 1              | Level 2              | Level 3     | Total                 |
|--|----------------------|----------------------|-------------|-----------------------|
| U.S. Treasuries                          | \$ 18,804,980        | \$ -                 | \$ -        | \$ 18,804,980         |
| FHLB                                     | 10,225,522           | -                    | -           | 10,225,522            |
| Federal Farm CR                          | 145,706              | -                    | -           | 145,706               |
| Freddie Mac                              | 994,940              | -                    | -           | 994,940               |
| Sallie Mae                               | 55,850,257           | -                    | -           | 55,850,257            |
| Money Market Fund                        | -                    | -                    | -           | 1,971,240             |
| Certificate of Deposit                   | -                    | 15,757,802           | -           | 15,757,802            |
| Subtotal                                 | <u>\$ 86,021,405</u> | <u>\$ 15,757,802</u> | <u>\$ -</u> | <u>103,750,447</u>    |
| Investments Measured at Amortized Cost - |                      |                      |             |                       |
| LGIP Funds                               |                      |                      |             | <u>18,433,421</u>     |
| Total Investments                        |                      |                      |             | <u>\$ 122,183,868</u> |

**B. Receivables/Deferred Inflows of Resources**

**1. Taxes Receivable**

Taxes receivable at December 31, 2023, are as detailed below:

|                                   | Governmental<br>Funds | Enterprise<br>Funds | Custodial<br>Funds | Total                |
|-----------------------------------|-----------------------|---------------------|--------------------|----------------------|
| Current Taxes Receivable:         |                       |                     |                    |                      |
| 2023 Apportionment:               |                       |                     |                    |                      |
| County Taxes                      | \$ 45,098,768         | \$ -                | \$ -               | \$ 45,098,768        |
| Delinquent Taxes Receivable:      |                       |                     |                    |                      |
| Tax Certificates:                 |                       |                     |                    |                      |
| 2022 Sale (2021 Taxes)            | 732,195               | -                   | -                  | 732,195              |
| 2021 Sale                         | 214,500               | -                   | -                  | 214,500              |
| 2020 Sale                         | 80,138                | -                   | -                  | 80,138               |
| 2019 Sale and Prior Years         | 4,523                 | -                   | -                  | 4,523                |
| Special Assessments and Charges   | -                     | -                   | 48,951             | 48,951               |
| Total Delinquent Taxes Receivable | <u>1,031,356</u>      | <u>-</u>            | <u>48,951</u>      | <u>1,080,307</u>     |
| Tax Deeds Owned by County         | 35,584                | -                   | -                  | 35,584               |
| Total Taxes Receivable            | <u>\$ 46,165,708</u>  | <u>\$ -</u>         | <u>\$ 48,951</u>   | <u>\$ 46,214,659</u> |

Delinquent taxes receivable in the custodial fund consist of delinquent special assessments and other charges due local taxing districts. These amounts are remitted to the districts when collected by the County.

**ST. CROIX COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Receivables/Deferred Inflows of Resources (Continued)**

**2. Resident Receivables**

Resident receivables reported as current assets by the Home at December 31, 2023, consisted of the following:

|  |                          |
|--|--------------------------|
| Receivable from Residents and their Insurance Carriers | \$ 273,227               |
| Receivable from Medicare                               | 344,548                  |
| Receivable from Medicaid                               | <u>314,403</u>           |
| Total Resident Receivables                             | 932,178                  |
| Less: Allowance for Doubtful Accounts                  | <u>(70,000)</u>          |
| Resident Receivables, Net                              | <u><u>\$ 862,178</u></u> |

**3. Lease Receivables**

The County acting as lessor, leases real property under long-term, non-cancelable lease agreements. The leases expire at various dates through 2025 if all renewal options are exercised. During the year ended December 31, 2023, the County recognized \$65,235 and \$930 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

| <u>Year Ended December 31,</u><br>2024 | <u>Governmental Activities</u> |                 |
|--|--------------------------------|-----------------|
|  | <u>Principal</u>               | <u>Interest</u> |
|  | <u>\$ 5,514</u>                | <u>\$ -</u>     |

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Receivables/Deferred Inflows of Resources (Continued)**

**4. Other Receivables**

Other accounts receivable at December 31, 2023, are further detailed as follows:

|                                      | General Fund        | Health<br>and Human<br>Services Fund | Other<br>Governmental<br>Funds | Nursing<br>Home   | Highway<br>Department | Total               |
|--------------------------------------|---------------------|--------------------------------------|--------------------------------|-------------------|-----------------------|---------------------|
| Accounts Receivable:                 |                     |                                      |                                |                   |                       |                     |
| General                              | \$ 782,915          | \$ 500,812                           | \$ 14,720                      | \$ -              | \$ 128,555            | \$ 1,427,002        |
| Long-Term<br>Receivables             | 97,565              | -                                    | -                              | -                 | -                     | 97,565              |
| Customers/Residents:<br>Nursing Home | -                   | -                                    | -                              | 792,178           | -                     | 792,178             |
| Allowance for<br>Doubtful Accounts   | -                   | 797,067                              | -                              | 70,000            | -                     | 867,067             |
| Total Accounts<br>Receivable         | 880,480             | 1,297,879                            | 14,720                         | 862,178           | 128,555               | 3,183,812           |
| Due from Other<br>Governments        | 2,652,514           | 1,567,292                            | 54,948                         | -                 | 959,748               | 5,234,502           |
| Total                                | <u>\$ 3,532,994</u> | <u>\$ 2,865,171</u>                  | <u>\$ 69,668</u>               | <u>\$ 862,178</u> | <u>\$ 1,088,303</u>   | <u>\$ 8,418,314</u> |

**5. Deferred Inflows of Resources/Unearned Revenues**

Governmental funds report unavailable revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

|  | Unavailable          | Unearned            | Total                |
|--|----------------------|---------------------|----------------------|
| Governmental Funds:                      |                      |                     |                      |
| 2023 Tax Levy                            | \$ 45,100,429        | \$ -                | \$ 45,100,429        |
| General Fund Grant Advances              | -                    | 3,998,117           | 3,998,117            |
| Health and Human Services<br>Receivables | 1,297,879            | 18,647              | 1,316,526            |
| Leases                                   | -                    | 65,403              | 65,403               |
| Total Governmental<br>Activities         | <u>\$ 46,398,308</u> | <u>\$ 4,082,167</u> | <u>\$ 50,480,475</u> |

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2023, was as follows:

Governmental Activities

|   | Beginning<br>Balance | Increases     | Transfers and<br>Decreases | Ending<br>Balance |
|---|----------------------|---------------|----------------------------|-------------------|
| Capital Assets Not being Depreciated/Amortized:         |                      |               |                            |                   |
| Land  | \$ 5,860,906         | \$ -          | \$ -                       | \$ 5,860,906      |
| Construction Work-in-Progress                           | 12,801,808           | 35,662,092    | 8,606,650                  | 39,857,250        |
| Total Capital Assets Not being<br>Depreciated/Amortized | 18,662,714           | 35,662,092    | 8,606,650                  | 45,718,156        |
| Capital Assets being Depreciated/Amortized:             |                      |               |                            |                   |
| Land Improvements                                       | 4,147,636            | 949,590       | -                          | 5,097,226         |
| Buildings and Improvements                              | 40,965,940           | 6,208,215     | -                          | 47,174,155        |
| Equipment and Vehicles                                  | 19,659,210           | 3,616,979     | 780,949                    | 22,495,240        |
| Highway Infrastructure                                  | 146,479,482          | 7,862,973     | -                          | 154,342,455       |
| Other Infrastructure                                    | 2,057,372            | -             | -                          | 2,057,372         |
| Right-to-Use Lease Equipment                            | 167,907              | -             | 157,711                    | 10,196            |
| Right-to-Use Lease Vehicles                             | 193,274              | 219,747       | -                          | 413,021           |
| Total Capital Assets being<br>Depreciated/Amortized     | 213,670,821          | 18,857,504    | 938,660                    | 231,589,665       |
| Total Capital Assets                                    | 232,333,535          | 54,519,596    | 9,545,310                  | 277,307,821       |
| Accumulated Depreciation/Amortization:                  |                      |               |                            |                   |
| Land Improvements                                       | 2,459,452            | 89,473        | -                          | 2,548,925         |
| Buildings and Improvements                              | 20,837,362           | 1,611,216     | -                          | 22,448,578        |
| Equipment and Vehicles                                  | 11,556,306           | 1,802,611     | 159,576                    | 13,199,341        |
| Highway Infrastructure                                  | 72,565,129           | 4,215,585     | -                          | 76,780,714        |
| Other Infrastructure                                    | 1,303,475            | 39,448        | -                          | 1,342,923         |
| Right-to-Use Lease Equipment                            | 97,540               | 65,997        | 157,711                    | 5,826             |
| Right-to-Use Lease Vehicles                             | 51,499               | 107,605       | -                          | 159,104           |
| Total Accumulated Depreciation/<br>Amortization         | 108,870,763          | 7,931,935     | 317,287                    | 116,485,411       |
| Net Capital Assets - Governmental<br>Activities         | \$ 123,462,772       | \$ 46,587,661 | \$ 9,228,023               | \$ 160,822,410    |

Depreciation and amortization was charged to governmental functions as follows:

|                                    |                     |
|------------------------------------|---------------------|
| General Government                 | \$ 1,772,595        |
| Public Safety                      | 1,412,792           |
| Transportation                     | 3,719,345           |
| Health and Human Services          | 818,504             |
| Culture, Recreation, and Education | 208,699             |
| Total                              | <u>\$ 7,931,935</u> |

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

Business-Type Activities

|   | Beginning<br>Balance | Increases   | Transfers and<br>Decreases | Ending<br>Balance |
|---|----------------------|-------------|----------------------------|-------------------|
| Nursing Home:                                 |                      |             |                            |                   |
| Capital Assets being Depreciated:             |                      |             |                            |                   |
| Land Improvements                             | \$ 31,203            | \$ -        | \$ -                       | \$ 31,203         |
| Buildings                                     | 21,155,373           | 276,604     | -                          | 21,431,977        |
| Equipment                                     | 1,073,894            | 30,787      | -                          | 1,104,681         |
| Total Capital Assets being Depreciated        | 22,260,470           | 307,391     | -                          | 22,567,861        |
| Accumulated Depreciation:                     |                      |             |                            |                   |
| Land Improvements                             | 35,153               | 1,126       | -                          | 36,279            |
| Buildings                                     | 3,332,441            | 571,088     | -                          | 3,903,529         |
| Equipment                                     | 1,079,738            | 37,901      | -                          | 1,117,639         |
| Total Accumulated Depreciation                | 4,447,332            | 610,115     | -                          | 5,057,447         |
| Net Capital Assets - Nursing Home             | 17,813,138           | (302,724)   | -                          | 17,510,414        |
| Highway Department:                           |                      |             |                            |                   |
| Capital Assets Not being Depreciated:         |                      |             |                            |                   |
| Land  | 1,191,092            | -           | -                          | 1,191,092         |
| Gravel Pits and Quarries                      | 248,612              | -           | -                          | 248,612           |
| Construction Work-in-Progress                 | 35,930               | 116,705     | 35,930                     | 116,705           |
| Total Capital Assets Not being Depreciated    | 1,475,634            | 116,705     | 35,930                     | 1,556,409         |
| Capital Assets being Depreciated:             |                      |             |                            |                   |
| Land Improvements                             | 2,095,001            | -           | -                          | 2,095,001         |
| Buildings and Improvements                    | 26,964,694           | 298,161     | -                          | 27,262,855        |
| Machinery and Equipment                       | 21,949,019           | 1,639,859   | 781,347                    | 22,807,531        |
| Total Capital Assets being Depreciated        | 51,008,714           | 1,938,020   | 781,347                    | 52,165,387        |
| Total Capital Assets                          | 52,484,348           | 2,054,725   | 817,277                    | 53,721,796        |
| Accumulated Depreciation:                     |                      |             |                            |                   |
| Land Improvements                             | 606,699              | 77,447      | -                          | 684,146           |
| Buildings and Improvements                    | 3,740,319            | 708,189     | -                          | 4,448,508         |
| Machinery and Equipment                       | 13,175,150           | 995,749     | 655,918                    | 13,514,981        |
| Total Accumulated Depreciation                | 17,522,168           | 1,781,385   | 655,918                    | 18,647,635        |
| Net Capital Assets - Highway Department       | 34,962,180           | 273,340     | 161,359                    | 35,074,161        |
| Total Capital Assets                          | 74,744,818           | 2,362,116   | 817,277                    | 76,289,657        |
| Less: Accumulated Depreciation                | 21,969,500           | 2,391,500   | 655,918                    | 23,705,082        |
| Net Capital Assets - Business-Type Activities | \$ 52,775,318        | \$ (29,384) | \$ 161,359                 | \$ 52,584,575     |

Depreciation was charged to the following business-type activities:

|                    |                     |
|--------------------|---------------------|
| Nursing Home       | \$ 610,115          |
| Highway Department | 1,781,385           |
| Total              | <u>\$ 2,391,500</u> |

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Interfund Receivable, Payables, and Transfers**

The composition of interfund balances as of December 31, 2023, was as follows:

Due to/from Other Funds

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u>    | <u>Purpose</u>     |
|------------------------|---------------------|------------------|--------------------|
| General Fund           | Stop Drugs Fund     | <u>\$ 10,903</u> | Cover Deficit Cash |

The above interfund balances were for temporary financing of operating expenses and are expected to be repaid in 2023. Interfund balances owed within the governmental activities are eliminated in the statement of net position.

Interfund Transfers

| <u>Fund Transferred To</u>                                      | <u>Fund Transferred From</u> | <u>Amount</u>     | <u>Purpose</u>             |
|---|------------------------------|-------------------|----------------------------|
| Internal Service Fund -<br>Retirement Health<br>Savings Account | General Fund                 | <u>\$ 300,000</u> | Paid Time Off Contribution |

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations**

Changes in Long-Term Obligations

Changes in long-term obligations of the County for the year ended December 31, 2023, were as follows:

|   | Balance -<br>January 1,<br>2023 | Additions           | Reductions          | Balance -<br>December 31,<br>2023 | Amounts<br>Due Within<br>One Year |
|---|---------------------------------|---------------------|---------------------|-----------------------------------|-----------------------------------|
| Long-Term Debt:   |                                 |                     |                     |                                   |                                   |
| Governmental Activities:  |                                 |                     |                     |                                   |                                   |
| General Obligation Bonds, Dated<br>September 1, 2015, from Direct<br>Placements | \$ 7,385,000                    | \$ -                | \$ 475,000          | \$ 6,910,000                      | \$ 485,000                        |
| General Obligation Bonds, Dated<br>April 19, 2022, from Direct Placements       | 80,000,000                      | -                   | 4,890,000           | 75,110,000                        | 2,950,000                         |
| General Obligation Bonds, Dated<br>March 2, 2016, from Direct Placements        | 9,340,000                       | -                   | 140,000             | 9,200,000                         | 145,000                           |
| General Obligation Bonds, Dated<br>February 14, 2018, from Direct<br>Placements | 23,380,000                      | -                   | 1,120,000           | 22,260,000                        | 1,165,000                         |
| General Obligation Bonds, Dated<br>December 4, 2019, from Direct<br>Placements  | 6,015,000                       | -                   | 700,000             | 5,315,000                         | 380,000                           |
| General Obligation Notes, Dated<br>September 1, 2014, from Direct<br>Borrowing  | 2,900,000                       | -                   | 1,430,000           | 1,470,000                         | 1,470,000                         |
| General Obligation Notes, Dated<br>March 11, 2020, from Direct Borrowing        | 1,656,000                       | -                   | 404,000             | 1,252,000                         | 411,000                           |
| Net Bond Premium  | 4,289,601                       | -                   | 471,230             | 3,818,371                         | 428,180                           |
| Total Long-Term Debt  | <u>\$ 134,965,601</u>           | <u>\$ -</u>         | <u>\$ 9,630,230</u> | <u>\$ 125,335,371</u>             | <u>\$ 7,434,180</u>               |
| Other Long-Term Obligations:  |                                 |                     |                     |                                   |                                   |
| Governmental Activities:  |                                 |                     |                     |                                   |                                   |
| Employee Leave Liability  | \$ 3,075,658                    | \$ 1,475,588        | \$ -                | \$ 4,551,246                      | \$ 2,003,941                      |
| Lease Liability   | 212,142                         | 219,747             | 212,317             | 219,572                           | 101,211                           |
| Total Governmental Activities   | 3,287,800                       | 1,695,335           | 212,317             | 4,770,818                         | 2,105,152                         |
| Business-Type Activities:   |                                 |                     |                     |                                   |                                   |
| Employee Leave Liability  | 1,073,657                       | 30,936              | -                   | 1,104,593                         | 788,601                           |
| Total Other Long-Term Obligations   | <u>\$ 4,573,599</u>             | <u>\$ 1,946,018</u> | <u>\$ 424,634</u>   | <u>\$ 6,094,983</u>               | <u>\$ 2,994,964</u>               |

The County's estimated liability for employee leave and other postemployment benefits are discussed in Note 5.B and Note 6, respectively. The Employee Leave Liability and Other Postemployment Benefits are paid from the General, Health and Human Services, Highway, and Nursing Home Funds.

Security and Default

The outstanding long-term debt obligations of the County contain the following provisions:

All general obligation bonds, notes and other long-term obligations are backed by the full faith and credit of the County. General obligation long-term debt will be retired by future tax levies accumulated by the debt service fund. The County's outstanding notes from direct borrowings related to governmental activities of \$121,517,000 contain provisions that in the event of default, outstanding amounts become immediately due if the County is unable to make payment.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

Changes in Long-Term Obligations (Continued)

Annual Requirements for Retirement. Long-term general obligation debt issues outstanding at December 31, 2023, and annual requirements for their retirement were as follows:

|  | Year      | Principal             | Interest             | Total                 |
|--|-----------|-----------------------|----------------------|-----------------------|
| General Obligation Bonds:                              |           |                       |                      |                       |
| Corporate Purpose Bonds, Series 2015A,                 | 2024      | \$ 485,000            | \$ 193,493           | \$ 678,493            |
| \$10,000,000, Issued September 1, 2015,                | 2025      | 500,000               | 181,180              | 681,180               |
| Due April 1, 2035, Interest at 2.00% to 3.20%          | 2026      | 515,000               | 168,493              | 683,493               |
| (Nursing and Dementia Crisis Facility Project)         | 2027      | 530,000               | 155,430              | 685,430               |
|  | 2028      | 545,000               | 141,311              | 686,311               |
|  | 2029-2033 | 2,995,000             | 453,589              | 3,448,589             |
|  | 2034-2035 | <u>1,340,000</u>      | <u>43,200</u>        | <u>1,383,200</u>      |
| Total  |           | 6,910,000             | 1,336,696            | 8,246,696             |
| Corporate Purpose Bonds, Series 2016A,                 | 2024      | 145,000               | 213,770              | 358,770               |
| \$10,000,000, Issued March 2, 2016,                    | 2025      | 715,000               | 200,870              | 915,870               |
| Due April 1, 2035, Interest at 2.7% to 3.00%           | 2026      | 735,000               | 182,795              | 917,795               |
|  | 2027      | 755,000               | 167,895              | 922,895               |
|  | 2028      | 775,000               | 152,595              | 927,595               |
|  | 2029-2033 | 4,215,000             | 501,005              | 4,716,005             |
|  | 2034-2035 | <u>1,860,000</u>      | <u>50,168</u>        | <u>1,910,168</u>      |
| Total  |           | 9,200,000             | 1,469,098            | 10,669,098            |
| Highway Maintenance Facility Bonds, Series 2018A,      | 2024      | 1,165,000             | 723,170              | 1,888,170             |
| \$27,000,000, Issued February 14, 2018,                | 2025      | 1,215,000             | 669,495              | 1,884,495             |
| Due March 1, 2038, Interest at 2.5% to 5.00%           | 2026      | 1,260,000             | 607,620              | 1,867,620             |
|  | 2027      | 1,295,000             | 559,285              | 1,854,285             |
|  | 2028      | 1,335,000             | 524,428              | 1,859,428             |
|  | 2029-2033 | 7,330,000             | 1,996,996            | 9,326,996             |
|  | 2034-2038 | <u>8,660,000</u>      | <u>731,149</u>       | <u>9,391,149</u>      |
| Total  |           | 22,260,000            | 5,812,143            | 28,072,143            |
| General Obligation Capital Improvement Bonds,          |           |                       |                      |                       |
| Series 2019A,  | 2024      | 380,000               | 129,363              | 509,363               |
| \$8,025,000, Issued December 4, 2019,                  | 2025      | 385,000               | 117,888              | 502,888               |
| Due April 1, 2039, Interest at 2.45% to 3.00%          | 2026      | 365,000               | 106,638              | 471,638               |
|  | 2027      | 375,000               | 95,538               | 470,538               |
|  | 2028      | 375,000               | 84,288               | 459,288               |
|  | 2029-2033 | 1,455,000             | 305,724              | 1,760,724             |
|  | 2034-2038 | 1,710,000             | 139,860              | 1,849,860             |
|  | 2039      | <u>270,000</u>        | <u>3,308</u>         | <u>273,308</u>        |
| Total  |           | 5,315,000             | 982,607              | 6,297,607             |
| General Obligation Promissory Bonds, Series 2022A      | 2024      | 2,950,000             | 2,673,281            | 5,623,281             |
| \$80,000,000, Issued April 19, 2022                    | 2025      | 3,845,000             | 2,518,156            | 6,363,156             |
| Due March 1, 2042, Interest at 3.0% to 5.0%            | 2026      | 4,045,000             | 2,341,131            | 6,386,131             |
|  | 2027      | 4,020,000             | 2,179,831            | 6,199,831             |
|  | 2028      | 4,145,000             | 2,016,531            | 6,161,531             |
|  | 2029-2033 | 18,920,000            | 7,630,880            | 26,550,880            |
|  | 2034-2038 | 19,965,000            | 4,374,366            | 24,339,366            |
|  | 2039-2042 | <u>17,220,000</u>     | <u>1,131,163</u>     | <u>18,351,163</u>     |
| Total  |           | 75,110,000            | 24,865,339           | 99,975,339            |
| General Obligation Promissory Notes, Series 2014A,     |           |                       |                      |                       |
| \$10,000,000, June 12, 2006, Final Installment Due     |           |                       |                      |                       |
| April 1, 2024, Interest 1.00% to 2.25% (HHS Relocation | 2024      | 1,470,000             | 16,538               | 1,486,538             |
| to SCCSC, Jail Renovation)                             |           |                       |                      |                       |
| General Obligation Promissory Notes, Series 2020A,     | 2024      | 411,000               | 16,849               | 427,849               |
| \$2,444,000, June 12, 2006, Final Installment Due      | 2025      | 417,000               | 10,183               | 427,183               |
| April 1, 2026, Interest 1.00% to 2.25%                 | 2026      | <u>424,000</u>        | <u>3,413</u>         | <u>427,413</u>        |
|  |           | <u>1,252,000</u>      | <u>30,445</u>        | <u>1,282,445</u>      |
| Total  |           |                       |                      |                       |
| Total General Obligation Debt                          |           | <u>\$ 121,517,000</u> | <u>\$ 34,512,866</u> | <u>\$ 156,029,866</u> |



**ST. CROIX COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

General Obligation Long-Term Debt

General Obligation Debt Limitation

Section 67.03 of the Wisconsin Statutes restricts County general obligation debt to 5% of the equalized value of all property in the County. At December 31, 2023, the County's debt limit amounted to \$819,226,890 and indebtedness subject to the limitation totaled \$121,517,000.

**F. Lease Liability**

The County leases equipment and vehicles for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2025. The liabilities were calculated using the County incremental borrowing rate of 2.62%.

Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease liability. Those variable payments are recognized as outflows of resources in the periods in which the obligation for those payments is incurred. During the year ended December 31, 2023, the Entity made variable payments as required by lease agreements totaling \$156,299.

Total future minimum lease payments under lease agreements are as follows:

| <u>Year Ended December 31,</u> | <u>Governmental Activities</u> |                 |
|--------------------------------|--------------------------------|-----------------|
|                                | <u>Principal</u>               | <u>Interest</u> |
| 2024                           | \$ 101,211                     | \$ 4,309        |
| 2025                           | 68,747                         | 2,063           |
| 2026                           | 49,614                         | 608             |
| Total                          | <u>\$ 219,572</u>              | <u>\$ 6,980</u> |

**ST. CROIX COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 5 OTHER INFORMATION**

**A. Wisconsin Retirement System Pension Plan Benefits**

General Information about the Pension Plan

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>. Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

**ST. CROIX COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit. The WRS also provides death and disability benefits for employees.

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period ending December 31, 2023, the WRS recognized \$3,028,484 in contributions from the employer.

Contribution rates as of December 31, 2023 are:

|                                    | <u>Employee</u> | <u>Employer</u> |
|------------------------------------|-----------------|-----------------|
| General (including Teachers)       | 6.80 %          | 6.80 %          |
| Executives and Elected Officials   | 6.80            | 6.80            |
| Protective With Social Security    | 6.80            | 13.22           |
| Protective Without Social Security | 6.80            | 18.12           |

**ST. CROIX COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

General Information about the Pension Plan (Continued)

Postretirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the floor) set at retirement.

The Core and Variable annuity adjustments granted during recent years are as follows:

| <u>Year</u> | <u>Core Fund<br/>Adjustment</u> | <u>Variable Fund<br/>Adjustment</u> |
|-------------|---------------------------------|-------------------------------------|
| 2013        | (9.6)                           | 9.0                                 |
| 2014        | 4.7                             | 25.0                                |
| 2015        | 2.9                             | 2.0                                 |
| 2016        | 0.5                             | (5.0)                               |
| 2017        | 2.0                             | 4.0                                 |
| 2018        | 2.4                             | 17.0                                |
| 2019        | -                               | (10.0)                              |
| 2020        | 1.7                             | 21.0                                |
| 2021        | 5.1                             | 13.0                                |
| 2022        | 7.4                             | 15.0                                |

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the County reported a liability of \$12,146,382 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. The County's proportion of the net pension liability was based on the County's long-term share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the County's proportion was 0.22927637%, which was an increase of 0.00040205% from its proportion measured as of December 31, 2021.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended December 31, 2023, the County recognized pension expense (revenue) of \$6,173,828. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between Expected and Actual Experience   | \$ 19,345,423                        | \$ 25,415,544                       |
| Changes of Assumptions  | 2,388,481                            | -                                   |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments                            | 20,633,899                           | -                                   |
| Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions | 11,781                               | 23,980                              |
| County Contributions Subsequent to the Measurement Date   | 3,028,485                            | -                                   |
| Total   | <u>\$ 45,408,069</u>                 | <u>\$ 25,439,524</u>                |

The \$3,028,485 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

| <u>Year Ending December 31,</u> | Pension<br>Expense<br>(Revenue) |
|---------------------------------|---------------------------------|
| 2024                            | \$ 702,322                      |
| 2025                            | 3,506,613                       |
| 2026                            | 3,593,093                       |
| 2027                            | 9,138,032                       |

**ST. CROIX COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|  |                                     |
|--|-------------------------------------|
| Actuarial Valuation Date:                          | December 31, 2021                   |
| Measurement Date of Net Pension Liability (Asset): | December 31, 2022                   |
| Actuarial Cost Method:                             | Entry Age Normal                    |
| Asset Valuation Method:                            | Fair Value                          |
| Long-Term Expected Rate of Return:                 | 6.8%                                |
| Discount Rate:                                     | 6.8%                                |
| Salary Increases:                                  | 3.1% to 8.6% including inflation    |
| Inflation:   | 3.0%                                |
| Seniority/Merit:                                   | 0.1% to 5.6%                        |
| Mortality:   | 2020 WRS Experience Mortality Table |
| Postretirement Adjustments*                        | 1.7%                                |

\* No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, postretirement adjustment, price inflation, mortality and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

|                            | Asset<br>Allocation | Long-Term<br>Expected<br>Nominal Rate<br>of Return | Long-Term<br>Expected<br>Real Rate<br>of Return |
|----------------------------|---------------------|--|---|
| Core Fund Asset Class:     |                     |  |   |
| Public Equity              | 48.0 %              | 7.6 %  | 5.0 %   |
| Public Fixed Income        | 25.0 %              | 5.3 %  | 2.7 %   |
| Inflation Sensitive        | 19.0 %              | 3.6 %  | 1.1 %   |
| Real Estate                | 8.0 %               | 5.2 %  | 2.6 %   |
| Private Equity/Debt        | 15.0 %              | 9.6 %  | 6.9 %   |
| Cash                       | (15.0)%             | -  | N/A   |
| Total Core Fund            | 100.0 %             | 7.4 %  | 4.8 %   |
| Variable Fund Asset Class: |                     |  |   |
| U.S. Equities              | 70.0 %              | 7.2 %  | 4.6 %   |
| International Equities     | 30.0 %              | 8.1 %  | 5.5 %   |
| Total                      | 100.0 %             | 7.7 %  | 5.1 %   |

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast:

2.5% asset allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Single Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021. In describing this index Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1 percentage-point higher (7.80%) than the current rate:

|  | 1% Decrease<br>(5.80%) | Current<br>Discount Rate<br>(6.80%) | 1% Increase<br>(7.80%) |
|--|------------------------|-------------------------------------|------------------------|
| County's Proportionate Share of<br>the Net Pension Liability (Asset) | <u>\$ 40,313,448</u>   | <u>\$ 12,146,382</u>                | <u>\$ (7,230,142)</u>  |

Payable to the Pension Plan

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://eft.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.



**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**B. Employee Leave Liability**

All regular employees are granted personal time off (PTO) based on number of regular hours paid in a pay period and length of service. Earned time off is placed in a personal "PTO" account which is subject to current use by the employee. Amounts recorded in the PTO accounts are subject to maximum accumulations. Employees may annually, at December 31, transfer up to 96 hours of their unused earned time off out of their PTO account into a "personal sick bank" account and/or receive a payment for up to 48 hours out of their account.

Employees may use time from their personal sick bank account for sick leave beyond three days. However, accumulated time in the personal sick bank account will not be paid out unless an employee retires, as defined by the eligibility to receive immediate pension benefits from the Wisconsin Retirement System. For employees hired before October 5, 2022, a sunseting retirement payout policy has been adopted by the County. When an employee retires, their personal sick leave bank accrued time will be converted into a cash-equivalent and deposited into a Retirement Health Savings Plan. This money can be used tax-free to pay for qualified medical expenses, as defined under Section 213(d) of the Internal Revenue Code. It is important to note that there is no cash-out of the personal sick leave bank available to qualified employees at retirement.

The County's liability for accumulated personal time off, vacation and vested sick leave (sick leave based on retirement eligible conversion values) was \$4,551,246 in the governmental funds and totaled \$1,104,593 in the nursing home and highway department enterprise funds. The County accrues its liability for employee leave in the enterprise funds, but expenses these costs when paid in the governmental funds.

**C. Risk Management**

The County is exposed to various risks of loss related to torts; thefts of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains a combination of commercial insurance coverage and self-insurance programs to cover each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County.

**ST. CROIX COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 5 OTHER INFORMATION (CONTINUED)**

**C. Risk Management (Continued)**

Health Care Risk Management

The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for resident services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violation of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for resident services previously billed. Management of the Home and the County believe that all material commitments and contingencies have been disclosed.

Health Insurance Funds

The County has an established health insurance program. This program is funded through “premiums” charged monthly to the participants in the plan. The County portion of the monthly premium is charged to various departments based on actual participation by employees. PreferredOne currently administers the plan for a monthly fee based on the number of participating individuals. Claims are paid by PreferredOne and reimbursed by the County on a weekly basis. Reinsurance for specific and stop-loss covers individual claims in excess of \$175,000 per year (for renewal period ended October 31, 2023), and aggregate stop-loss is set at 120% of anticipated claims.

During 2023, the County plan net position in the fund at December 31, 2023, was \$1,987,554.

Workers’ Compensation Fund

The County is self-insured for workers’ compensation coverage. This program is funded through “premiums” charged to various County departments. Claims are paid by the County, through a TPA, Wisconsin Municipal Insurance. Stop-loss insurance is carried through Safety National and covers individual claims in excess of \$550,000 each to a maximum of \$1,000,000. In addition to in-house administrative staff, the County retains outside legal and medical expertise for assistance in settling claims. The balance in this fund at December 31, 2023, was \$840,631.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**C. Risk Management (Continued)**

Changes in the claims liabilities for 2023 and 2022 for the health insurance fund and workers' compensation fund were as follows:

|  | Health Insurance    |                     | Workers' Compensation |                   |
|--|---------------------|---------------------|-----------------------|-------------------|
|  | 2023                | 2022                | 2023                  | 2022              |
| Estimated Claims Outstanding - January 1   | \$ 1,667,614        | \$ 2,701,981        | \$ 439,007            | \$ 980,330        |
| Current Year Claims and Charges            | 14,814,728          | 10,112,371          | 550,105               | 237,964           |
| Claim Payments                             | (14,482,959)        | (11,146,738)        | (550,105)             | (779,287)         |
| Estimated Claims Outstanding - December 31 | <u>\$ 1,999,383</u> | <u>\$ 1,667,614</u> | <u>\$ 439,007</u>     | <u>\$ 439,007</u> |

**Liability Insurance Fund**

The County has established an internal service fund to account for transactions associated with its insurance coverage through WMMIC (see below) and to account for funds set aside for financing other liability insurance claims against the County. Wisconsin Municipal Mutual Insurance Company (WMMIC) is a mutual company operating solely within the property and liability insurance industry. WMMIC was formed pursuant to an intergovernmental charter-contract in 1987 by municipal members. WMMIC was organized to provide property and liability insurance and risk management services to participant municipalities. As of December 31, 2023, WMMIC was owned by 18 municipalities (3 cities and 15 counties). Responsibility for the operation and management of WMMIC is vested in its board of directors which is comprised of various municipal officials.

WMMIC issued tax-exempt revenue bonds totaling \$13,935,000 in 1987 to provide capital for its operations. Each member, in turn, severally issued general obligation promissory notes at an aggregate amount equal to the revenue bonds and invested the proceeds in WMMIC. The County's initial deposit in WMMIC was \$720,214 which is reflected in the balance sheet of the County's general fund. The debt issued by the County to finance this deposit was fully retired in 1997. The County's allocated share of WMMIC's member equity at December 31, 2023, was \$709,948 and represented 3.23% of the total member equity at that date.

Liability insurance provided to the members through WMMIC is to provide coverage in excess of prescribed self-insured amounts. WMMIC has contracted with a reinsurance company to cover losses (in excess of the self-insured retention of each member) which exceed \$1,000,000 per occurrence up to a maximum loss of \$10,000,000 per occurrence. WMMIC retains the first \$1,000,000 of the excess over the self-insurance retention. The members incur all losses greater than \$10,000,000 per occurrence or greater than \$15,000,000 of aggregate losses in a policy year. Losses paid by WMMIC plus administrative costs are to be recovered through premiums of the participating pool of municipalities. The County's share of such losses was 2.89% for 2023. A list of other members and their share of participation is in WMMIC's financial report which is available from Wisconsin Municipal Mutual Insurance Company, 4785 Hayes Road, Madison, Wisconsin 53704-7364.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**C. Risk Management (Continued)**

Liability Insurance Fund (Continued)

WMMIC contracts with Governmental Entities Mutual, Inc (GEM) to provide 100% reinsurance coverage for amounts in excess of the County's self-insurance limits, which are \$500,000. Each member is required to maintain a segregated fund on deposit with WMMIC. This fund is used by WMMIC to pay claims charged to the member and is subject to replenishment by the member on a quarterly basis (or more frequently, if necessary). The amount of the deposit has been currently set at \$350,000 for the County. WMMIC has also set a policy that each member should maintain, in a segregated fund, cash reserves equal to one year's SIR plus incurred but not reported (IBNR) claims less SIR funds on deposit with WMMIC.

The self-funded liability insurance fund had a net position balance of \$3,561,867 at December 31, 2023.

The liability recorded for unpaid losses at December 31, 2023, was determined by WMMIC based on claim adjusters evaluations and other estimates. The liability includes those for IBNR losses. The liability represents the present value of the expected level of unpaid losses for the years of operations under WMMIC. Changes in claim liabilities for 2023 and 2022 are:

|  | 2023              | 2022              |
|--|-------------------|-------------------|
| Estimated Claims Outstanding - January 1   | \$ 480,132        | \$ 476,932        |
| Current Year Claims and Changes            | 631,757           | 500,939           |
| Claim Payments                             | (519,731)         | (497,739)         |
| Estimated Claims Outstanding - December 31 | <u>\$ 592,158</u> | <u>\$ 480,132</u> |

**D. Prior Period Adjustment**

During the fiscal year ended December 31, 2023, the County restated the beginning of net position of the custodial funds. Amounts due to other governments were erroneously reported as net position in the prior year. As a result of this restatement, the net position was overstated and liabilities were understated by \$1,319,760.

**NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLAN**

The County adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The County engaged an actuary to determine the County's liability for postemployment health care benefits other than pensions.

**ST. CROIX COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

**Single-Employer Plan Description**

Benefits Provided

The County offered an early retirement program for eligible employees who elect to retire and are considered retirement age in accordance with Wisconsin Retirement System rules. All full-time employees are eligible for retiree group health plan insurance until Medicare eligibility once they satisfy the following requirements: Age 55 and 5 years of service for employees classified as General under Wisconsin Retirement System (WRS), or age 50 and 5 years of service for employees classified as Protective under WRS. The retiree health plan was closed effective July 1, 2021. Only active employees who retired by this date are eligible for retiree health care coverage. Otherwise, COBRA coverage for 18 months is offered. Retirees already enrolled in the retiree health plan are able to continue coverage until age 65.

Employees Covered by Benefit Terms

At December 31, 2023, the following employees were covered by the benefit terms:

|  |           |
|--|-----------|
| Inactive Plan Members or Beneficiaries |           |
| Currently Receiving Benefit Payments   | 17        |
| Active Plan Members                    | -         |
| Total                                  | <u>17</u> |

Total OPEB Liability

The County does not accumulate assets in a trust for payment of OPEB benefits. Accordingly, the County must report its total OPEB liability. The County's total OPEB liability was determined by an actuarial valuation as of December 31, 2023. At December 31, 2023, the County reported a total OPEB liability of \$49,655. There has been one substantive plan provision change since the last full valuation, which was for the fiscal year ended December 31, 2022. The retiree health plan was closed effective July 1, 2021. Only active employees who retire by this date are eligible for retiree health care coverage. Based on data provided by the County, 20% of the actives eligible to retire in the retiree health plan by July 1, 2021. Retirees already enrolled in the retiree health plan are able to continue coverage until age 65. This change caused a decrease in liabilities.

**ST. CROIX COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

**Single-Employer Plan Description (Continued)**

Total OPEB Liability (Continued)

Changes in the County's total OPEB liability were as follows:

|   | Total<br>OPEB Liability |
|---|-------------------------|
| Balance - December 31, 2022                           | \$ 139,632              |
| Changes for the Year:                                 |                         |
| Interest  | 5,373                   |
| Change of Benefit Terms                               | (54,822)                |
| Differences between Expected and Actual<br>Experience | (11,108)                |
| Assumption Changes                                    | 849                     |
| Benefit Payments                                      | (30,269)                |
| Net Changes   | (89,977)                |
| Balance - December 31, 2023                           | <u>\$ 49,655</u>        |

Actuarial Assumptions

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                              |  |
|------------------------------|--|
| Measurement Date             | 12/31/2023   |
| Discount Rate                | 4.00%  |
| 20-Year Municipal Bond Yield | 4.00%  |
| Inflation Rate               | 3.00%  |
| Salary Increases             | 3.00%  |
| Medical Trend Rate           | 8.0% decreasing to 4.5% in 2029  |
| Mortality:                   |  |
| General Employees            | SOA Pub-2010 General Headcount Weighted Mortality<br>Table Fully Generational Using Scale MP-2021                |
| Protective Employees         | SOA Pub-2010 Public Safety Headcount Weighted<br>Mortality Table Fully Generational Using<br>Scale MP-2021       |
| Surviving Spouses            | SOA Pub-2010 Contingent Survivor Headcount<br>Weighted Mortality Table Fully Generational Using<br>Scale MP-2021 |

Discount Rate

The discount rate used to measure the total OPEB liability was 4.31% which was increased from 2.25% in the prior actuarial valuation. The discount rate is based upon all years of projected payments discounted at a municipal bond rate of 4.31%.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

**Single-Employer Plan Description (Continued)**

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

|                      | 1% Decrease<br>(3.00%) | Current<br>Discount Rate<br>(4.00%) | 1% Increase<br>(5.00%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB Liability | <u>\$ 50,525</u>       | <u>\$ 49,655</u>                    | <u>\$ 48,815</u>       |

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using health care cost trend rates that are 1% lower or 1% higher than the current health care cost trend rates:

|                      | 1% Decrease<br>(7.0%<br>Decreasing<br>to 3.5%) | Health<br>Care Cost<br>Trend Rates<br>(8.0%<br>Decreasing<br>to 4.5%) | 1% Increase<br>(9.0%<br>Decreasing<br>to 5.5%) |
|----------------------|--|---|--|
| Total OPEB Liability | <u>\$ 48,584</u>                               | <u>\$ 49,655</u>  | <u>\$ 50,746</u>                               |

For the year ended December 31, 2023, the County recognized OPEB expense of \$1,211,358. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description                                       | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between Expected and Actual Experience | \$ -                                 | \$ 1,290,398                        |
| Changes of Assumptions or Other Input             | 115,492                              | -                                   |
| Total   | <u>\$ 115,492</u>                    | <u>\$ 1,290,398</u>                 |

**ST. CROIX COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 6    OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

**Single-Employer Plan Description (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year Ending December 31,</u> | <u>OPEB<br/>Expense</u> |
|---------------------------------|-------------------------|
| 2024                            | \$ (392,070)            |
| 2025                            | (392,070)               |
| 2026                            | (113,223)               |
| 2027                            | (113,228)               |
| 2028                            | (164,315)               |
| Thereafter                      | -                       |



**ST. CROIX COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 7 FUND BALANCE CLASSIFICATIONS**

The fund balance classifications of the governmental funds as of December 31, 2023, were as follows:

|  | <u>Nonspendable</u> | <u>Restricted</u> | <u>Assigned</u>      | <u>Unassigned</u>    | <u>Total</u>         |
|--|---------------------|-------------------|----------------------|----------------------|----------------------|
| Major Funds:                                   |                     |                   |                      |                      |                      |
| General Fund:                                  |                     |                   |                      |                      |                      |
| Prepayments                                    | \$ 20,940           | \$ -              | \$ -                 | \$ -                 | \$ 20,940            |
| Receivable                                     | 1,065,279           | -                 | -                    | -                    | 1,065,279            |
| Investment in WMMIC                            | 720,214             | -                 | -                    | -                    | 720,214              |
| Long-Term Receivables                          | 97,565              | -                 | -                    | -                    | 97,565               |
| Restricted (See Schedule B-2)                  | -                   | 13,878            | -                    | -                    | 13,878               |
| Assigned (See Schedule B-2)                    | -                   | -                 | 1,688,064            | -                    | 1,688,064            |
| Unassigned                                     | -                   | -                 | -                    | 24,109,620           | 24,109,620           |
| Subtotal General Fund                          | <u>1,903,998</u>    | <u>13,878</u>     | <u>1,688,064</u>     | <u>24,109,620</u>    | <u>27,715,560</u>    |
| Health and Human Services Fund:                |                     |                   |                      |                      |                      |
| Donations                                      | -                   | 21,957            | -                    | -                    | 21,957               |
| Health and Human Service Programs              | -                   | -                 | 4,178,733            | -                    | 4,178,733            |
| Subtotal Health and Human Services Fund        | -                   | 21,957            | 4,178,733            | -                    | 4,200,690            |
| Capital Projects Fund                          | -                   | -                 | 60,644,094           | -                    | 60,644,094           |
| Debt Service Fund                              | -                   | 18,065            | -                    | -                    | 18,065               |
| Nonmajor Funds:                                |                     |                   |                      |                      |                      |
| Special Revenue Funds:                         |                     |                   |                      |                      |                      |
| Jail Assessment Fund Projects                  | -                   | 488,410           | -                    | -                    | 488,410              |
| K-9 Program                                    | -                   | 12,367            | -                    | -                    | 12,367               |
| Drug Task Force                                | -                   | 41,648            | -                    | -                    | 41,648               |
| County Drug Fund                               | -                   | 48,919            | -                    | -                    | 48,919               |
| Stop Drugs Funded Program                      | -                   | -                 | -                    | (10,903)             | (10,903)             |
| Land Records Fund                              | -                   | 120,660           | -                    | -                    | 120,660              |
| Dog License Fund Restricted for Animal Control | -                   | 31,350            | -                    | -                    | 31,350               |
| Total Governmental Fund Balances               | <u>\$ 1,903,998</u> | <u>\$ 797,254</u> | <u>\$ 66,510,891</u> | <u>\$ 24,098,717</u> | <u>\$ 93,310,860</u> |

## **REQUIRED SUPPLEMENTARY INFORMATION**

**ST. CROIX COUNTY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2023**

|  | Budgeted Amounts      |                       |                      | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------------|-----------------------|----------------------|---|
|  | Original              | Final                 | Actual               |   |
| <b>REVENUES</b>  |                       |                       |                      |   |
| Taxes  | \$ 35,677,492         | \$ 35,677,492         | \$ 38,385,265        | \$ 2,707,773  |
| Intergovernmental  | 3,795,539             | 3,795,539             | 7,998,279            | 4,202,740   |
| Licenses and Permits   | 446,500               | 446,500               | 388,097              | (58,403)  |
| Fines and Forfeits   | 601,000               | 601,000               | 200,577              | (400,423)   |
| Public Charges for Services  | 2,384,367             | 2,384,367             | 2,923,965            | 539,598   |
| Intergovernmental Charges for<br>Services                            | 35,000                | 35,000                | 32,908               | (2,092)   |
| Miscellaneous:   |                       |                       |                      |   |
| Investment Income  | 795,000               | 795,000               | 3,913,069            | 3,118,069   |
| Rent   | 16,000                | 16,000                | 85,132               | 69,132  |
| Other  | 137,400               | 137,400               | 23,557               | (113,843)   |
| Total Revenues   | 43,888,298            | 43,888,298            | 53,950,849           | 10,062,551  |
| <b>EXPENDITURES</b>  |                       |                       |                      |   |
| General Government   | 13,710,120            | 13,710,120            | 14,710,239           | (1,000,119)   |
| Public Safety  | 17,145,192            | 17,145,192            | 17,330,059           | (184,867)   |
| Transportation   | 8,906,331             | 8,906,331             | 8,920,277            | (13,946)  |
| Sanitation   | 313,058               | 313,058               | 291,995              | 21,063  |
| Health and Human Services  | 1,169,489             | 1,169,489             | 1,184,786            | (15,297)  |
| Culture, Recreation, and Education                                   | 2,346,573             | 2,346,573             | 2,378,698            | (32,125)  |
| Conservation and Development   | 3,209,192             | 3,209,192             | 2,878,775            | 330,417   |
| Capital Outlay   | -                     | -                     | 672                  | (672)   |
| Total Expenditures   | 46,799,955            | 46,799,955            | 47,695,501           | (895,546)   |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (2,911,657)           | (2,911,657)           | 6,255,348            | 9,167,005   |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                            |                       |                       |                      |   |
| Transfers Out  | -                     | -                     | (300,000)            | (300,000)   |
| Total Other Financing<br>Sources (Uses)                              | -                     | -                     | (300,000)            | (300,000)   |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <u>\$ (2,911,657)</u> | <u>\$ (2,911,657)</u> | 5,955,348            | <u>\$ 8,867,005</u>                                     |
| Fund Balance - Beginning of Year                                     |                       |                       | 21,760,212           |   |
| <b>FUND BALANCE - END OF YEAR</b>                                    |                       |                       | <u>\$ 27,715,560</u> |   |

See accompanying Note to Required Supplementary Information.

**ST. CROIX COUNTY, WISCONSIN**  
**BUDGETARY COMPARISON SCHEDULE**  
**HEALTH AND HUMAN SERVICES SPECIAL REVENUE FUND**  
**YEAR ENDED DECEMBER 31, 2023**  
**(BUDGETARY BASIS)**

|   | Budgeted Amounts |                 |                     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|-----------------|---------------------|---|
|   | Original         | Final           | Actual              |   |
| <b>REVENUES</b>                           |                  |                 |                     |   |
| Taxes                                     | \$ 7,891,840     | \$ 7,891,840    | \$ 7,891,840        | \$ -  |
| Intergovernmental                         | 9,648,754        | 9,648,754       | 9,518,603           | (130,151)   |
| Public Charges for Services               | 8,330,066        | 8,330,066       | 8,505,389           | 175,323   |
| Intergovernmental Charges for<br>Services | 5,000            | 5,000           | 11,072              | 6,072   |
| Miscellaneous:                            |                  |                 |                     |   |
| Other                                     | 306,880          | 306,880         | 369,295             | 62,415  |
| Total Revenues                            | 26,182,540       | 26,182,540      | 26,296,199          | 113,659   |
| <b>EXPENDITURES</b>                       |                  |                 |                     |   |
| Health and Human Services                 | 26,175,316       | 26,175,316      | 27,479,377          | (1,304,061)   |
| <b>NET CHANGE IN FUND BALANCE</b>         | <u>\$ 7,224</u>  | <u>\$ 7,224</u> | (1,183,178)         | <u>\$ 1,417,720</u>                                     |
| Fund Balance - Beginning of Year          |                  |                 | <u>5,383,868</u>    |   |
| <b>FUND BALANCE - END OF YEAR</b>         |                  |                 | <u>\$ 4,200,690</u> |   |

See accompanying Note to Required Supplementary Information.

**ST. CROIX COUNTY, WISCONSIN**  
**SCHEDULE OF PROPORTIONATE SHARE OF WISCONSIN**  
**RETIREMENT SYSTEM NET PENSION PLAN LIABILITY (ASSET)**  
**LAST TEN FISCAL YEARS\***

| <u>Year Ending</u> | <u>Proportion of<br/>the Net Pension<br/>Liability (Asset)</u> | <u>Proportionate<br/>Share of the<br/>Net Pension<br/>Liability (Asset)</u> | <u>Covered<br/>Payroll</u> | <u>Proportionate<br/>Share of the Net<br/>Pension Liability<br/>(Asset) as a<br/>Percentage of<br/>Covered Payroll</u> | <u>Plan Fiduciary<br/>Net Position as a<br/>Percentage of the<br/>Total Pension<br/>Liability</u> |
|--------------------|--|---|----------------------------|--|---|
| 12/31/2022         | 0.22927637%  | \$ 12,146,382   | \$ 35,625,961              | 34.09%   | 95.72%  |
| 12/31/2021         | 0.22887432%  | (18,447,691)  | 34,722,717                 | -53.13%  | 106.02%   |
| 12/31/2020         | 0.22902798%  | (14,298,534)  | 34,269,070                 | -41.72%  | 105.26%   |
| 12/31/2019         | 0.22620425%  | (7,293,857)   | 32,517,475                 | -22.43%  | 102.96%   |
| 12/31/2018         | 0.22225145%  | 7,907,009   | 31,477,566                 | 25.12%   | 96.45%  |
| 12/31/2017         | 0.21653928%  | (6,429,308)   | 30,109,574                 | -21.35%  | 102.93%   |
| 12/31/2016         | 0.21478422%  | 1,770,334   | 28,587,877                 | 6.19%  | 99.12%  |
| 12/31/2015         | 0.21616914%  | 3,512,707   | 27,892,981                 | 12.59%   | 98.20%  |
| 12/31/2014         | 0.21970028%  | (5,396,439)   | 28,226,246                 | -19.12%  | 102.74%   |

\*Shown Prospectively from Year of Implementation

**ST. CROIX COUNTY, WISCONSIN  
SCHEDULE OF CONTRIBUTIONS TO WISCONSIN  
RETIREMENT SYSTEM NET PENSION PLAN  
LAST TEN FISCAL YEARS\***

**Last Ten Fiscal Years**

| Year       | Contractually<br>Required<br>Contributions | Contributions in<br>Relation to the<br>Contractually<br>Required<br>Contributions | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Contributions<br>as a Percentage<br>of Covered<br>Payroll |
|------------|--|---|--|--------------------|---|
| 12/31/2023 | \$ 3,028,484                               | \$ (3,028,484)  | \$ -                                   | \$ 37,841,345      | 8.00%   |
| 12/31/2022 | 2,652,232                                  | (2,652,232)   | -                                      | 35,625,961         | 7.44%   |
| 12/31/2021 | 2,646,480                                  | (2,646,480)   | -                                      | 34,722,717         | 7.62%   |
| 12/31/2020 | 2,621,770                                  | (2,621,770)   | -                                      | 34,269,070         | 7.65%   |
| 12/31/2019 | 2,370,927                                  | (2,370,927)   | -                                      | 32,517,475         | 7.29%   |
| 12/31/2018 | 2,343,433                                  | (2,343,433)   | -                                      | 31,477,566         | 7.44%   |
| 12/31/2017 | 2,038,523                                  | (2,038,523)   | -                                      | 30,109,574         | 6.77%   |
| 12/31/2016 | 2,039,909                                  | (2,039,909)   | -                                      | 28,587,877         | 7.14%   |
| 12/31/2015 | 2,026,705                                  | (2,026,705)   | -                                      | 27,892,981         | 7.27%   |

\*The amounts presented for each fiscal year were determined as of 12/31 that occurred within the fiscal year.

## Notes to Schedules

## Change of Benefit Terms.

There were no changes of benefit terms for any participating employer in WRS.

## Change in Assumptions.

\*Shown prospectively from year of implementation

**ST. CROIX COUNTY, WISCONSIN**  
**SCHEDULE OF CHANGES IN THE COUNTY'S**  
**OPEB LIABILITY AND RELATED RATIOS**  
**LAST TEN FISCAL YEARS\***

|   | 2018                       | 2019                       | 2020                       | 2021                       | 2022                     | 2023                    |
|---|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------|-------------------------|
| <b>TOTAL OPEB LIABILITY</b>   |                            |                            |                            |                            |                          |                         |
| Interest  | \$ 234,828                 | \$ 209,582                 | \$ 199,270                 | \$ 25,666                  | \$ 23,356                | 5,373                   |
| Changes of Benefit Terms  | -                          | -                          | (3,446,018)                | -                          | -                        | (54,822)                |
| Differences between Expected and Actual Experience                      | (1,770,239)                | 69,350                     | (1,581,587)                | (27,024)                   | (835,554)                | (11,108)                |
| Changes of Assumptions or Other Input                                   | (460,537)                  | 390,464                    | 102,760                    | (5,801)                    | (7,090)                  | 849                     |
| Benefit Payments  | <u>(176,480)</u>           | <u>(114,118)</u>           | <u>(178,741)</u>           | <u>(173,468)</u>           | <u>(157,379)</u>         | <u>(30,269)</u>         |
| <b>NET CHANGE IN TOTAL OPEB LIABILITY</b>                               | (1,661,854)                | 969,621                    | (4,414,149)                | (180,627)                  | (976,667)                | (89,977)                |
| Total OPEB Liability - Beginning  | <u>6,403,308</u>           | <u>4,741,454</u>           | <u>5,711,075</u>           | <u>1,296,926</u>           | <u>1,116,299</u>         | <u>139,632</u>          |
| <b>TOTAL OPEB LIABILITY - ENDING (a)</b>                                | <u><u>\$ 4,741,454</u></u> | <u><u>\$ 5,711,075</u></u> | <u><u>\$ 1,296,926</u></u> | <u><u>\$ 1,116,299</u></u> | <u><u>\$ 139,632</u></u> | <u><u>\$ 49,655</u></u> |
| Covered Employee Payroll  | \$ 28,838,950              | \$ 33,094,609              | \$ 32,235,819              | \$ 33,202,894              | \$ 30,874,438            | \$ 31,800,671           |
| County's Net OPEB Liability as a Percentage of Covered-Employee Payroll | 0.16 %                     | 0.17 %                     | 0.04 %                     | 3.36%                      | 0.45%                    | 0.16%                   |

\*Schedule is presented prospectively from implementation.

See accompanying Note to Required Supplementary Information.

**ST. CROIX COUNTY, WISCONSIN**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2023**

**BUDGETARY INFORMATION**

GASB Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund is derived from the County’s annual operating budget. Budgetary information for the health and human services fund is derived from the department’s approved budget.

The County’s annual operating budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes and on a basis consistent with budgetary basis of accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The County’s legal budget is adopted at the major function level in the general fund (i.e., general government) and at the fund level in all other funds. The County exercises budgetary expenditure control at the department level. The general fund reported an unfavorable budget variance in the Transportation major function.

Budget amounts in the financial statements include both original adopted budget and the final budget. Changes to the budget during the year, if any, generally include amendments authorized by the governing body, additions of approved carryover amounts and appropriations of revenues and other sources for specified expenditures/uses. Appropriated budget amounts in the general fund lapse at the end of the year unless specifically carried over for financing subsequent year expenditures. Major Fund expenditures in excess of appropriations will be financed by future period appropriations or offset with intergovernmental revenues if applicable.



## **SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**ST. CROIX COUNTY, WISCONSIN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2023**

|  | Special Revenue Funds |                  |                                       |                  |                 |                   |                  |                                | Total                             |                   |
|--|-----------------------|------------------|---------------------------------------|------------------|-----------------|-------------------|------------------|--------------------------------|-----------------------------------|-------------------|
|  | Jail Assessment Fund  | K-9 Fund         | St. Croix Valley Drug Task Force Fund | County Drug Fund | Stop Drugs Fund | Land Records Fund | Dog License Fund | Nonmajor Special Revenue Funds | Total Nonmajor Governmental Funds |                   |
| <b>ASSETS</b>  |                       |                  |                                       |                  |                 |                   |                  |                                |                                   |                   |
| Treasurer's Cash and Investments                                     | \$ 505,188            | \$ 9,450         | \$ 51,211                             | \$ 45,224        | \$ -            | \$ 144,632        | \$ 32,503        | \$ 788,208                     | \$ 788,208                        | \$ 788,208        |
| Departmental Cash  | -                     | -                | -                                     | 3,695            | -               | -                 | -                | 3,695                          | 3,695                             | 3,695             |
| Accounts Receivable  | -                     | -                | -                                     | -                | -               | 320               | -                | 320                            | 320                               | 320               |
| Due from Other Governmental Units                                    | 4,764                 | 4,717            | 5,315                                 | -                | -               | -                 | -                | 14,796                         | 14,796                            | 14,796            |
| Total Assets   | <u>\$ 509,952</u>     | <u>\$ 14,167</u> | <u>\$ 56,526</u>                      | <u>\$ 48,919</u> | <u>\$ -</u>     | <u>\$ 144,952</u> | <u>\$ 32,503</u> | <u>\$ 807,019</u>              | <u>\$ 807,019</u>                 | <u>\$ 807,019</u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b> |                       |                  |                                       |                  |                 |                   |                  |                                |                                   |                   |
| <b>LIABILITIES</b>   |                       |                  |                                       |                  |                 |                   |                  |                                |                                   |                   |
| Vouchers Payable   | \$ 21,320             | \$ 1,800         | \$ 13,507                             | \$ -             | \$ -            | \$ 21,312         | \$ -             | \$ 57,939                      | \$ 57,939                         | \$ 57,939         |
| Accrued Payroll  | -                     | -                | -                                     | -                | -               | 2,980             | -                | 2,980                          | 2,980                             | 2,980             |
| Due Other Governmental Units   | 222                   | -                | 1,371                                 | -                | -               | -                 | 1,153            | 2,746                          | 2,746                             | 2,746             |
| Due to Other Funds   | -                     | -                | -                                     | -                | 10,903          | -                 | -                | 10,903                         | 10,903                            | 10,903            |
| Total Liabilities  | <u>21,542</u>         | <u>1,800</u>     | <u>14,878</u>                         | <u>-</u>         | <u>10,903</u>   | <u>24,292</u>     | <u>1,153</u>     | <u>74,568</u>                  | <u>74,568</u>                     | <u>74,568</u>     |
| <b>FUND BALANCES</b>   |                       |                  |                                       |                  |                 |                   |                  |                                |                                   |                   |
| Restricted   | 488,410               | 12,367           | 41,648                                | 48,919           | -               | 120,660           | 31,350           | 743,354                        | 743,354                           | 743,354           |
| Unassigned   | -                     | -                | -                                     | -                | (10,903)        | -                 | -                | (10,903)                       | (10,903)                          | (10,903)          |
| Total Fund Balances  | <u>488,410</u>        | <u>12,367</u>    | <u>41,648</u>                         | <u>48,919</u>    | <u>(10,903)</u> | <u>120,660</u>    | <u>31,350</u>    | <u>732,451</u>                 | <u>732,451</u>                    | <u>732,451</u>    |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances  | <u>\$ 509,952</u>     | <u>\$ 14,167</u> | <u>\$ 56,526</u>                      | <u>\$ 48,919</u> | <u>\$ -</u>     | <u>\$ 144,952</u> | <u>\$ 32,503</u> | <u>\$ 807,019</u>              | <u>\$ 807,019</u>                 | <u>\$ 807,019</u> |

**ST. CROIX COUNTY, WISCONSIN  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2023**

|                                    | Jail<br>Assessment<br>Fund | Special Revenue Funds |   |                     |                    |              |                        |               |  |  |  | Total |          |
|------------------------------------|----------------------------|-----------------------|---|---------------------|--------------------|--------------|------------------------|---------------|--|--|--|-------|----------|
|                                    |                            | K-9 Fund              | St. Croix Valley<br>Drug Task<br>Force Fund | County<br>Drug Fund | Stop<br>Drugs Fund | Records Fund | Dog<br>License<br>Fund | Revenue Funds | Nonmajor<br>Special<br>Governmental<br>Funds |  |  |       | Total    |
| <b>REVENUES</b>                    |                            |                       |   |                     |                    |              |                        |               |  |  |  |       |          |
| Intergovernmental                  | \$ -                       | \$ -                  | \$ 46,126                                   | \$ -                | \$ -               | \$ 71,000    | \$ -                   | \$ 117,126    | \$ 117,126                                   |  |  | \$    | 117,126  |
| Fines, Forfeitures, and Penalties  | 57,061                     | -                     | -   | 24,153              | -                  | -            | -                      | 81,214        | 81,214                                       |  |  |       | 81,214   |
| Public Charges for Services        | -                          | -                     | -   | -                   | -                  | 95,918       | 21,374                 | 117,292       | 117,292                                      |  |  |       | 117,292  |
| Miscellaneous:                     |                            |                       |   |                     |                    |              |                        |               |  |  |  |       |          |
| Other                              | -                          | 43,130                | -   | 26,614              | 7,100              | -            | -                      | 76,844        | 76,844                                       |  |  |       | 76,844   |
| Total Revenues                     | 57,061                     | 43,130                | 46,126                                      | 50,767              | 7,100              | 166,918      | 21,374                 | 392,476       | 392,476                                      |  |  |       | 392,476  |
| <b>EXPENDITURES</b>                |                            |                       |   |                     |                    |              |                        |               |  |  |  |       |          |
| General Government                 | 53,296                     | -                     | -   | -                   | -                  | 232,127      | -                      | 285,423       | 285,423                                      |  |  |       | 285,423  |
| Public Safety                      | -                          | 51,535                | 43,278                                      | 42,471              | 8,806              | -            | -                      | 146,090       | 146,090                                      |  |  |       | 146,090  |
| Health and Human Services          | -                          | -                     | -   | -                   | -                  | -            | 22,205                 | 22,205        | 22,205                                       |  |  |       | 22,205   |
| Total Expenditures                 | 53,296                     | 51,535                | 43,278                                      | 42,471              | 8,806              | 232,127      | 22,205                 | 453,718       | 453,718                                      |  |  |       | 453,718  |
| <b>NET CHANGE IN FUND BALANCES</b> |                            |                       |   |                     |                    |              |                        |               |  |  |  |       |          |
|                                    | 3,765                      | (8,405)               | 2,848                                       | 8,296               | (1,706)            | (65,209)     | (831)                  | (61,242)      | (61,242)                                     |  |  |       | (61,242) |
| Fund Balances - Beginning of Year  | 484,645                    | 20,772                | 38,800                                      | 40,623              | (9,197)            | 185,869      | 32,181                 | 793,693       | 793,693                                      |  |  |       | 793,693  |
| <b>FUND BALANCES - END OF YEAR</b> | \$ 488,410                 | \$ 12,367             | \$ 41,648                                   | \$ 48,919           | \$ (10,903)        | \$ 120,660   | \$ 31,350              | \$ 732,451    | \$ 732,451                                   |  |  | \$    | 732,451  |

**ST. CROIX COUNTY, WISCONSIN  
DETAILED BALANCE SHEET  
GENERAL FUND  
DECEMBER 31, 2023**

**ASSETS**

|                                       |                             |
|---------------------------------------|-----------------------------|
| Treasurer's Cash and Investments      | \$ 29,316,746               |
| Taxes Receivable:                     |                             |
| Current Taxes Receivable              | 26,214,353                  |
| Delinquent Taxes Receivable           | 1,029,695                   |
| Tax Deeds Owned by County             | 35,584                      |
| Accounts Receivable                   | 782,915                     |
| Due from Other Governments            | 2,652,514                   |
| Long-Term Receivables                 | 97,565                      |
| Due from Other Funds:                 |                             |
| Cash Overdrafts at Year-End           | 10,903                      |
| Prepayments                           | 20,940                      |
| Advances to Other Funds:              |                             |
| Investment in Public-Entity Risk Pool | 720,214                     |
|                                       | <hr/>                       |
| Total Assets                          | <u><u>\$ 60,881,429</u></u> |

**LIABILITIES, DEFERRED INFLOWS  
OF RESOURCES, AND FUND BALANCES**

**LIABILITIES**

|                                 |                        |
|---------------------------------|------------------------|
| Vouchers and Accounts Payable   | \$ 883,573             |
| Accrued Salaries and Wages      | 1,244,812              |
| Payroll Deductions              | 427,986                |
| Due to Other Governmental Units | 318,377                |
| Unearned Revenues:              |                        |
| Unearned Grant Revenue          | 3,998,117              |
| Special Deposits                | 13,248                 |
| Total Liabilities               | <hr/> <u>6,886,113</u> |

**DEFERRED INFLOWS OF RESOURCES**

|                                     |                         |
|-------------------------------------|-------------------------|
| Succeeding Year's Property Taxes    | 26,214,353              |
| Deferred Inflows Related to Leases  | 65,403                  |
| Total Deferred Inflows of Resources | <hr/> <u>26,279,756</u> |

**FUND BALANCES**

|                       |                         |
|-----------------------|-------------------------|
| Nonspendable for:     |                         |
| Delinquent Taxes      | 1,065,279               |
| Investment in WMMIC   | 720,214                 |
| Prepayments           | 20,940                  |
| Long-Term Receivables | 97,565                  |
| Restricted            | 13,878                  |
| Assigned              | 1,688,064               |
| Unassigned            | 24,109,620              |
| Total Fund Balances   | <hr/> <u>27,715,560</u> |

|   |                             |
|---|-----------------------------|
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u><u>\$ 60,881,429</u></u> |
|---|-----------------------------|

**ST. CROIX COUNTY, WISCONSIN**  
**STATEMENT OF CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2023**

| County Internal Fund Number | Balance - January 1, 2023 | County Appropriations | Other Revenues | Transfers    |            |             |            | Total Available | Expenditures  | Balance - December 31, 2023 |
|-----------------------------|---------------------------|-----------------------|----------------|--------------|------------|-------------|------------|-----------------|---------------|-----------------------------|
|                             |                           |                       |                | General Fund |            | Other Funds |            |                 |               |                             |
|                             |                           |                       |                | In           | Out        | In          | Out        |                 |               |                             |
| Nonspendable:               |                           |                       |                |              |            |             |            |                 |               |                             |
| Delinquent Taxes            | \$ 933,574                | -                     | \$ -           | \$ 131,705   | \$ -       | \$ -        | \$ -       | \$ 1,065,279    | \$ -          | \$ 1,065,279                |
| Investment in WMMIC         | 720,214                   | -                     | -              | -            | -          | -           | -          | 720,214         | -             | 720,214                     |
| Prepayments                 | 15,686                    | -                     | -              | 5,254        | -          | -           | -          | 20,940          | -             | 20,940                      |
| Long-Term Receivables       | 164,858                   | -                     | -              | -            | 67,293     | -           | -          | 97,565          | -             | 97,565                      |
| Total                       |                           |                       |                |              |            |             |            |                 |               |                             |
| Nonspendable                | 1,834,332                 | -                     | -              | 136,959      | 67,293     | -           | -          | 1,903,998       | -             | 1,903,998                   |
| Restricted:                 |                           |                       |                |              |            |             |            |                 |               |                             |
| Sheriff Confiscated         |                           |                       |                |              |            |             |            |                 |               |                             |
| Property                    | 196                       | -                     | -              | -            | -          | -           | -          | 196             | -             | 196                         |
| Enforcement                 | 12,888                    | -                     | -              | -            | -          | -           | -          | 12,888          | -             | 12,888                      |
| Sheriff Counteract          | 794                       | -                     | -              | -            | -          | -           | -          | 794             | -             | 794                         |
| Total Restricted            | 13,878                    | -                     | -              | -            | -          | -           | -          | 13,878          | -             | 13,878                      |
| Assigned:                   |                           |                       |                |              |            |             |            |                 |               |                             |
| Continuing                  |                           |                       |                |              |            |             |            |                 |               |                             |
| Appropriations:             |                           |                       |                |              |            |             |            |                 |               |                             |
| REI Recycling Grant         | -                         | -                     | 208,796        | -            | 1,396      | -           | -          | 207,400         | 207,400       | -                           |
| Parks                       | 1,285,225                 | 395,188               | 563,040        | -            | -          | -           | -          | 2,243,453       | 957,537       | 1,285,916                   |
| Land and Water              |                           |                       |                |              |            |             |            |                 |               |                             |
| Conservation                | 365,843                   | 255,531               | 560,677        | -            | -          | -           | -          | 1,182,051       | 783,176       | 398,875                     |
| Pesticide Training          | 3,013                     | -                     | 260            | -            | -          | -           | -          | 3,273           | -             | 3,273                       |
| Total Assigned              |                           |                       |                |              |            |             |            |                 |               |                             |
| Balances                    | 1,654,081                 | 650,719               | 1,332,773      | -            | 1,396      | -           | -          | 3,636,177       | 1,948,113     | 1,688,064                   |
| Unassigned:                 |                           |                       |                |              |            |             |            |                 |               |                             |
| Highway Appropriation       |                           |                       |                |              |            |             |            |                 |               |                             |
| and Aids                    | -                         | 6,524,397             | 2,782,991      | -            | -          | -           | -          | 9,307,388       | 9,307,388     | -                           |
| General County              | 18,257,921                | 17,541,224            | 25,118,745     | 136,959      | 205,229    | -           | -          | 60,549,620      | 36,440,000    | 24,109,620                  |
| Total Unassigned            | 18,257,921                | 24,065,621            | 27,901,736     | 136,959      | 205,229    | -           | -          | 69,857,008      | 45,747,388    | 24,109,620                  |
| Total General Fund          | \$ 21,760,212             | \$ 24,716,340         | \$ 29,234,509  | \$ 273,918   | \$ 273,918 | \$ -        | \$ 300,000 | \$ 75,411,061   | \$ 47,695,501 | \$ 27,715,560               |

**ST. CROIX COUNTY, WISCONSIN**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2023**

|  | Budgeted Amounts |               | Actual        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|---------------|---------------|---|
|  | Original         | Final         |               |   |
| <b>REVENUES</b>                          |                  |               |               |   |
| Taxes:                                   |                  |               |               |   |
| General Property Taxes                   | \$ 24,716,340    | \$ 24,716,340 | \$ 25,030,286 | \$ 313,946  |
| Tax Incremental Districts Refunds        | -                | -             | 245,706       | 245,706   |
| Forest Crop Taxes                        | 16,152           | 16,152        | 21,555        | 5,403   |
| Sales Tax                                | 10,500,000       | 10,500,000    | 12,632,884    | 2,132,884   |
| Interest on Taxes                        | 295,000          | 295,000       | 301,330       | 6,330   |
| Penalty on Taxes                         | 150,000          | 150,000       | 153,504       | 3,504   |
| Total Taxes                              | 35,677,492       | 35,677,492    | 38,385,265    | 2,707,773   |
| Intergovernmental:                       |                  |               |               |   |
| Federal Grants and Aids:                 |                  |               |               |   |
| State Shared Taxes:                      |                  |               |               |   |
| Shared Taxes from State                  | 1,346,404        | 1,346,404     | 838,867       | (507,537)   |
| State Grants and Aids:                   |                  |               |               |   |
| Clerk of Courts                          | 457,000          | 457,000       | 517,429       | 60,429  |
| Circuit Court                            | -                | -             | 100,000       | 100,000   |
| Victim/Witness VOCA Grant                | 179,282          | 179,282       | 193,300       | 14,018  |
| Information Technology                   | -                | -             | 53,275        | 53,275  |
| Facilities                               | -                | -             | 1,309,446     | 1,309,446   |
| Zoning                                   | 14,519           | 14,519        | -             | (14,519)  |
| Law Enforcement                          | 155,000          | 155,000       | 307,856       | 152,856   |
| Law Enforcement - TAD Grant              | 304,875          | 304,875       | 389,827       | 84,952  |
| Vest Grant                               | -                | -             | 2,069         | 2,069   |
| Jail                                     | 10,000           | 10,000        | 16,163        | 6,163   |
| Emergency Government                     | 94,973           | 94,973        | 93,740        | (1,233)   |
| General Transportation Aids              | 2,381,934        | 2,381,934     | 2,381,934     | -   |
| Recycling                                | 199,150          | 199,150       | 199,056       | (94)  |
| Hazardous Waste                          | 17,822           | 17,822        | 18,048        | 226   |
| Child Support                            | 913,025          | 913,025       | 915,623       | 2,598   |
| Veterans Service Officer                 | 18,250           | 18,250        | 57,152        | 38,902  |
| Snowmobile Trail Maintenance             | 70,000           | 70,000        | 105,813       | 35,813  |
| Land and Water Conservation              | 644,688          | 644,688       | 479,308       | (165,380)   |
| DOJ - Pierce/Polk/St. Croix Drug Program | -                | -             | 19,373        | 19,373  |
| Total Intergovernmental                  | 3,795,539        | 3,795,539     | 7,998,279     | 4,202,740   |
| Licenses and Permits:                    |                  |               |               |   |
| Zoning Permits                           | 446,500          | 446,500       | 388,097       | (58,403)  |
| Fines, Forfeitures and Penalties:        |                  |               |               |   |
| County Ordinance Forfeitures             | 601,000          | 601,000       | 200,577       | (400,423)   |

**ST. CROIX COUNTY, WISCONSIN  
DETAILED SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL (CONTINUED)  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2023**

|  | Budgeted Amounts |              |            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|--------------|------------|---|
|  | Original         | Final        | Actual     |   |
| <b>REVENUES (CONTINUED)</b>                  |                  |              |            |   |
| Public Charges for Services:                 |                  |              |            |   |
| Register of Deeds Fees                       | \$ 1,000,000     | \$ 1,000,000 | \$ 859,153 | \$ (140,847)  |
| Clerk of Court Fees                          | 149,933          | 149,933      | 596,992    | 447,059   |
| NSF Checks - Clerk of Courts                 | 400              | 400          | 175        | (225)   |
| Miscellaneous Circuit Court Fees             | 2,500            | 2,500        | 5,511      | 3,011   |
| Medical Examiner Fees                        | 75,000           | 75,000       | 89,975     | 14,975  |
| District Attorney Fees                       | 53,500           | 53,500       | 54,022     | 522   |
| Tax Collection Fee                           | 130,000          | 130,000      | 74,730     | (55,270)  |
| County Clerk Fees/Game Licenses              | 128,500          | 128,500      | 177,170    | 48,670  |
| Sheriff Fees                                 | 357,800          | 357,800      | 489,698    | 131,898   |
| Recycling Education Revenue                  | 35,234           | 35,234       | 16,628     | (18,606)  |
| County Parks Revenue - Troy                  | 381,500          | 381,500      | 461,458    | 79,958  |
| University Extension Charges                 | 1,000            | 1,000        | 1,468      | 468   |
| Land and Water Conservation                  | 69,000           | 69,000       | 63,955     | (5,045)   |
| Ag Use Penalty                               | -                | -            | 33,030     | 33,030  |
| Total Public Charges for Services            | 2,384,367        | 2,384,367    | 2,923,965  | 539,598   |
| Intergovernmental Charges for Services:      |                  |              |            |   |
| Local Governments:                           |                  |              |            |   |
| Elections                                    | 30,000           | 30,000       | 24,000     | (6,000)   |
| County Departments:                          |                  |              |            |   |
| Computer Repair and Replacements             | 5,000            | 5,000        | 8,882      | 3,882   |
| Human Services Building Maintenance          | -                | -            | 26         | 26  |
| Total Intergovernmental Charges for Services | 35,000           | 35,000       | 32,908     | (2,092)   |
| Miscellaneous:                               |                  |              |            |   |
| Investment Income:                           |                  |              |            |   |
| General Investments                          | 795,000          | 795,000      | 3,913,069  | 3,118,069   |
| Other:                                       |                  |              |            |   |
| Rent of County Buildings                     | 16,000           | 16,000       | 85,132     | 69,132  |
| Miscellaneous                                | 137,400          | 137,400      | 23,557     | (113,843)   |
| Total Miscellaneous                          | 948,400          | 948,400      | 4,021,758  | 3,073,358   |
| Total Revenues                               | 43,888,298       | 43,888,298   | 53,950,849 | 10,062,551  |



**ST. CROIX COUNTY, WISCONSIN  
DETAILED SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL (CONTINUED)  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2023**

|   | Budgeted Amounts |            |            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------|------------|---|
|   | Original         | Final      | Actual     |   |
| EXPENDITURES                            |                  |            |            |   |
| General Government:                     |                  |            |            |   |
| County Board                            | \$ 159,763       | \$ 159,763 | \$ 136,918 | \$ 22,845   |
| Clerk of Courts                         | 2,069,133        | 2,069,133  | 2,166,974  | (97,841)  |
| Circuit Court                           | 1,002,933        | 1,002,933  | 1,093,784  | (90,851)  |
| Drug Court                              | -                | -          | 9,192      | (9,192)   |
| Medical Examiner                        | 364,561          | 364,561    | 362,134    | 2,427   |
| Corporation Counsel                     | 700,879          | 700,879    | 629,552    | 71,327  |
| Victim/Witness Program                  | 360,780          | 360,780    | 417,056    | (56,276)  |
| Victim/Witness - VOCA                   | 18,314           | 18,314     | 16,912     | 1,402   |
| District Attorney                       | 900,947          | 900,947    | 805,358    | 95,589  |
| District Attorney Diversion Coordinator | 101,783          | 101,783    | 132,909    | (31,126)  |
| Administrator                           | 480,939          | 480,939    | 462,718    | 18,221  |
| County Clerk                            | 334,746          | 334,746    | 364,472    | (29,726)  |
| Elections                               | 75,610           | 75,610     | 64,924     | 10,686  |
| Personnel and Recruitment               | 607,033          | 607,033    | 494,204    | 112,829   |
| Information Technology                  | 2,701,866        | 2,701,866  | 4,209,814  | (1,507,948)   |
| Finance Department                      | 658,404          | 658,404    | 588,245    | 70,159  |
| County Treasurer                        | 414,906          | 414,906    | 362,226    | 52,680  |
| General County Buildings                | 2,267,914        | 2,267,914  | 1,965,961  | 301,953   |
| Register of Deeds                       | 489,609          | 489,609    | 426,886    | 62,723  |
| Total General Government                | 13,710,120       | 13,710,120 | 14,710,239 | (1,000,119)   |
| Public Safety:                          |                  |            |            |   |
| Sheriff                                 | 9,095,916        | 9,095,916  | 9,263,479  | (167,563)   |
| Sheriff Towing                          | -                | -          | 15,066     | (15,066)  |
| TAD Grant                               | 565              | 565        | 471        | 94  |
| Central Communications Center           | -                | -          | 13,865     | (13,865)  |
| Community Justice Collaborating Council | 834,832          | 834,832    | 911,126    | (76,294)  |
| County Jail                             | 4,603,751        | 4,603,751  | 4,634,235  | (30,484)  |
| Emergency Planning (SARA)               | -                | -          | 3,478      | (3,478)   |
| Emergency Government                    | 2,610,128        | 2,610,128  | 2,488,339  | 121,789   |
| Total Public Safety                     | 17,145,192       | 17,145,192 | 17,330,059 | (184,867)   |
| Public Works:                           |                  |            |            |   |
| Transportation:                         |                  |            |            |   |
| Highway Department (see Schedule C-1)   | 8,906,331        | 8,906,331  | 8,920,277  | (13,946)  |
| Sanitation:                             |                  |            |            |   |
| Hazardous Waste Disposal                | 93,674           | 93,674     | 84,595     | 9,079   |
| Recycling                               | 219,384          | 219,384    | 207,400    | 11,984  |
| Total Sanitation                        | 313,058          | 313,058    | 291,995    | 21,063  |
| Total Public Works                      | 9,219,389        | 9,219,389  | 9,212,272  | 7,117   |
| Health and Human Services:              |                  |            |            |   |
| Child Support                           | 838,494          | 838,494    | 828,104    | 10,390  |
| Veterans Service Officer                | 330,995          | 330,995    | 356,682    | (25,687)  |
| Total Health and Human Services         | 1,169,489        | 1,169,489  | 1,184,786  | (15,297)  |

**ST. CROIX COUNTY, WISCONSIN  
DETAILED SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL (CONTINUED)  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2023**

|  | Budgeted Amounts      |                       | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------------|-----------------------|----------------------|---|
|  | Original              | Final                 |                      |   |
| <b>EXPENDITURES (CONTINUED)</b>                            |                       |                       |                      |   |
| Culture, Recreation, and Education:                        |                       |                       |                      |   |
| Municipal Library Allocations                              | \$ 1,113,922          | \$ 1,113,922          | \$ 1,113,924         | \$ (2)  |
| Parks Admin  | 897,188               | 897,188               | 819,713              | 77,475  |
| Snowmobile Trail Maintenance                               | -                     | -                     | 137,930              | (137,930)   |
| Fairgrounds Maintenance                                    | 80,000                | 80,000                | 80,000               | -   |
| University Extension                                       | 255,463               | 255,463               | 227,131              | 28,332  |
| Total Culture, Recreation, and Education                   | <u>2,346,573</u>      | <u>2,346,573</u>      | <u>2,378,698</u>     | <u>(32,125)</u>   |
| Conservation and Development:                              |                       |                       |                      |   |
| Economic Development Grant                                 | 117,000               | 117,000               | 116,335              | 665   |
| Zoning   | 2,022,973             | 2,022,973             | 1,999,197            | 23,776  |
| Conservation Programs                                      | -                     | -                     | 165                  | (165)   |
| Land Conservation  | 1,069,219             | 1,069,219             | 739,228              | 329,991   |
| Wildlife Damage Claims                                     | -                     | -                     | 23,850               | (23,850)  |
| Total Conservation and Development                         | <u>3,209,192</u>      | <u>3,209,192</u>      | <u>2,878,775</u>     | <u>330,417</u>  |
| Capital Outlay:  |                       |                       |                      |   |
| Capital Outlays  | -                     | -                     | 672                  | (672)   |
| Total Expenditures   | <u>46,799,955</u>     | <u>46,799,955</u>     | <u>47,695,501</u>    | <u>(895,546)</u>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPEND</b> | (2,911,657)           | (2,911,657)           | 6,255,348            | 9,167,005   |
| <b>OTHER FINANCING SOURCES (USES)</b>                      |                       |                       |                      |   |
| Transfers Out:   |                       |                       |                      |   |
| To Internal Service Funds                                  | -                     | -                     | (300,000)            | (300,000)   |
| Total Other Financing Sources (Uses)                       | <u>-</u>              | <u>-</u>              | <u>(300,000)</u>     | <u>(300,000)</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>                          | <u>\$ (2,911,657)</u> | <u>\$ (2,911,657)</u> | 5,955,348            | <u>\$ 8,867,005</u>                                     |
| Fund Balance - Beginning of Year                           |                       |                       | <u>21,760,212</u>    |   |
| <b>FUND BALANCE - END OF YEAR</b>                          |                       |                       | <u>\$ 27,715,560</u> |   |

**ST. CROIX COUNTY, WISCONSIN**  
**DETAILED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**HIGHWAY DEPARTMENT ENTERPRISE FUND**  
**YEAR ENDED DECEMBER 31, 2023**

**OPERATING REVENUES**

|  |                   |
|--|-------------------|
| Charges for Services:                                      |                   |
| County Highway Maintenance and Construction <sup>(1)</sup> | \$ 9,307,388      |
| State Highway Maintenance and Construction                 | 3,328,121         |
| Local Districts - County Aid Bridge                        | 71,512            |
| Local Districts - Other                                    | 6,986,059         |
| Miscellaneous:   |                   |
| Other Revenue from State:                                  |                   |
| Other  | 481,868           |
| Miscellaneous Highway Revenues                             | 1,085,502         |
| Vehicle Registration Fees                                  | 906,691           |
| Total Operating Revenues                                   | <u>22,167,141</u> |

**OPERATING EXPENSES**

|  |                   |
|--|-------------------|
| Administration and General:                  |                   |
| Administration                               | 1,043,342         |
| Public Liability Insurance                   | 71,893            |
| Surveying                                    | 206,853           |
| Engineering                                  | 223,838           |
| Transportation Cost Pools:                   |                   |
| Machinery Operations                         | 273,732           |
| Gravel Pits and Quarries                     | (115,036)         |
| Services Provided:                           |                   |
| State Performance Based Maintenance          | 186,452           |
| County:                                      |                   |
| General Maintenance                          | 3,837,404         |
| State:                                       |                   |
| Highway Maintenance and Construction         | 8,754,746         |
| County Aid Bridge Construction               | 4,469             |
| Other Governmental Units                     | 7,093,456         |
| Local Departments                            | 385,769           |
| Other:                                       |                   |
| Net Change in Accrued Leave/OPEB Liabilities | (102,341)         |
| Total Operating Expenses                     | <u>21,864,577</u> |

**CHANGE IN NET POSITION**

302,564

Net Position - Beginning of Year

44,337,173**NET POSITION - END OF YEAR**\$ 44,639,737

(1) Charges to County for Highway Maintenance and Construction Consisted of the Following:

|                           |                            |
|---------------------------|----------------------------|
| County Appropriations     | \$ 6,524,397               |
| State Transportation Aids | <u>2,782,991</u>           |
| Total                     | <u><u>\$ 9,307,388</u></u> |

**ST. CROIX COUNTY, WISCONSIN  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2023**

|   | Self-Funded<br>Health<br>Insurance | Self-Funded<br>Workers'<br>Compensation<br>Insurance | Self-Funded<br>Liability<br>Insurance | Retirement<br>Health Savings<br>Account | County<br>Fleet   | Total               |
|---|------------------------------------|--|---------------------------------------|---|-------------------|---------------------|
| <b>ASSETS</b>                             |                                    |  |                                       |   |                   |                     |
| Treasurer's Cash and Investments          | \$ 3,779,108                       | \$ 1,241,693   | \$ 3,796,446                          | \$ 2,193,219                            | \$ 140,904        | \$ 11,151,370       |
| Cash and Investments Held by Fiscal Agent | -                                  | 37,945   | 350,000                               | -                                       | -                 | 387,945             |
| Accounts Receivable                       | 207,829                            | -  | 7,579                                 | -                                       | 2,819             | 218,227             |
| Total Assets                              | 3,986,937                          | 1,279,638  | 4,154,025                             | 2,193,219                               | 143,723           | 11,757,542          |
| <b>LIABILITIES</b>                        |                                    |  |                                       |   |                   |                     |
| Accounts Payable                          | 1,287,471                          | -  | -                                     | -                                       | 1,995             | 1,289,466           |
| Accrued Claims/Losses Payable             | 711,912                            | 439,007  | 592,158                               | -                                       | -                 | 1,743,077           |
| Total Liabilities                         | 1,999,383                          | 439,007  | 592,158                               | -                                       | 1,995             | 3,032,543           |
| <b>NET POSITION - UNRESTRICTED</b>        | <u>\$ 1,987,554</u>                | <u>\$ 840,631</u>                                    | <u>\$ 3,561,867</u>                   | <u>\$ 2,193,219</u>                     | <u>\$ 141,728</u> | <u>\$ 8,724,999</u> |

**ST. CROIX COUNTY, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

|  | Self-Funded<br>Health<br>Insurance | Self-Funded<br>Workers'<br>Compensation<br>Insurance | Self-Funded<br>Liability<br>Insurance | Retirement<br>Health Savings<br>Account | County<br>Fleet   | Total               |
|--|------------------------------------|--|---------------------------------------|---|-------------------|---------------------|
| <b>OPERATING REVENUES</b>                  |                                    |  |                                       |   |                   |                     |
| Charges for Services                       | \$ 10,404,385                      | \$ 604,032   | \$ 885,000                            | \$ -                                    | \$ 152,248        | \$ 12,045,665       |
| Other                                      | 4,208,978                          | -  | 145,462                               | -                                       | -                 | 4,354,440           |
| Total Operating Revenues                   | <u>14,613,363</u>                  | <u>604,032</u>                                       | <u>1,030,462</u>                      | <u>-</u>                                | <u>152,248</u>    | <u>16,400,105</u>   |
| <b>OPERATING EXPENSES</b>                  |                                    |  |                                       |   |                   |                     |
| Premiums and Claims                        | 15,264,913                         | 550,104  | 773,041                               | 186,282                                 | -                 | 16,774,340          |
| Fleet Costs                                | -                                  | -  | -                                     | -                                       | 181,204           | 181,204             |
| Administrative                             | 601,329                            | 82,691   | 372,006                               | -                                       | -                 | 1,056,026           |
| Total Operating Expenses                   | <u>15,866,242</u>                  | <u>632,795</u>                                       | <u>1,145,047</u>                      | <u>186,282</u>                          | <u>181,204</u>    | <u>18,011,570</u>   |
| <b>OPERATING LOSS</b>                      | <u>(1,252,879)</u>                 | <u>(28,763)</u>                                      | <u>(114,585)</u>                      | <u>(186,282)</u>                        | <u>(28,956)</u>   | <u>(1,611,465)</u>  |
| <b>NONOPERATING REVENUES</b>               |                                    |  |                                       |   |                   |                     |
| Interest Revenue                           | -                                  | -  | 33,316                                | -                                       | -                 | 33,316              |
| <b>LOSS BEFORE OTHER FINANCING SOURCES</b> | <u>(1,252,879)</u>                 | <u>(28,763)</u>                                      | <u>(81,269)</u>                       | <u>(186,282)</u>                        | <u>(28,956)</u>   | <u>(1,578,149)</u>  |
| <b>OTHER FINANCING SOURCES</b>             |                                    |  |                                       |   |                   |                     |
| Transfers In                               | -                                  | -  | -                                     | 300,000                                 | -                 | 300,000             |
| <b>CHANGE IN NET POSITION</b>              | <u>(1,252,879)</u>                 | <u>(28,763)</u>                                      | <u>(81,269)</u>                       | <u>113,718</u>                          | <u>(28,956)</u>   | <u>(1,278,149)</u>  |
| Net Position - Beginning of Year           | 3,240,433                          | 869,394  | 3,643,136                             | 2,079,501                               | 170,684           | 10,003,148          |
| <b>NET POSITION - END OF YEAR</b>          | <u>\$ 1,987,554</u>                | <u>\$ 840,631</u>                                    | <u>\$ 3,561,867</u>                   | <u>\$ 2,193,219</u>                     | <u>\$ 141,728</u> | <u>\$ 8,724,999</u> |

**ST. CROIX COUNTY, WISCONSIN  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2023**

|   | Self-Funded<br>Health<br>Insurance | Self-Funded<br>Workers'<br>Compensation<br>Insurance | Self-Funded<br>Liability<br>Insurance | Retirement<br>Health Savings<br>Account | County<br>Fleet   | Total                |
|---|------------------------------------|--|---------------------------------------|---|-------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |                                    |  |                                       |   |                   |                      |
| Cash Received for Goods and Services:                       |                                    |  |                                       |   |                   |                      |
| County/Departments  | \$ 14,443,431                      | \$ 604,032   | \$ 1,024,524                          | \$ -                                    | \$ 150,732        | \$ 16,222,719        |
| Cash Payments for Claims/Premiums/Administration            | (15,534,473)                       | (632,795)  | (1,033,020)                           | (186,282)                               | (179,218)         | (17,555,788)         |
| Net Cash Used by Operating Activities                       | (1,091,042)                        | (28,763)   | (8,496)                               | (186,282)                               | (28,486)          | (1,343,069)          |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING<br/>ACTIVITIES</b>  |                                    |  |                                       |   |                   |                      |
| Transfers in  | -                                  | -  | -                                     | 300,000                                 | -                 | 300,000              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |                                    |  |                                       |   |                   |                      |
| Interest on Investments                                     | -                                  | -  | 33,316                                | -                                       | -                 | 33,316               |
| Net Cash Provided by Investing Activities                   | -                                  | -  | 33,316                                | -                                       | -                 | 33,316               |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b> | (1,091,042)                        | (28,763)   | 24,820                                | 113,718                                 | (28,486)          | (1,009,753)          |
| Cash and Cash Equivalents - Beginning of Year               | 4,870,150                          | 1,308,401  | 4,121,626                             | 2,079,501                               | 169,390           | 12,549,068           |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>              | <u>\$ 3,779,108</u>                | <u>\$ 1,279,638</u>                                  | <u>\$ 4,146,446</u>                   | <u>\$ 2,193,219</u>                     | <u>\$ 140,904</u> | <u>\$ 11,539,315</u> |

**ST. CROIX COUNTY, WISCONSIN**  
**COMBINING STATEMENT OF CASH FLOWS (CONTINUED)**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

**RECONCILIATION OF OPERATING LOSS TO  
NET CASH USED BY OPERATING ACTIVITIES**

Operating Loss  
Adjustments to Reconcile Operating Loss to  
Net Cash Used by Operating Activities:  
Change in Assets and Liabilities:  
(Increase) Decrease in:  
Accounts Receivable  
Increase (Decrease) in:  
Accounts Payable  
Accrued Claims/Losses Payable  
Net Cash Used by Operating Activities

|  | Self-Funded<br>Health<br>Insurance | Self-Funded<br>Workers'<br>Compensation<br>Insurance | Self-Funded<br>Liability<br>Insurance | Retirement<br>Health Savings<br>Account | County<br>Fleet    | Total                 |
|--|------------------------------------|--|---------------------------------------|---|--------------------|-----------------------|
|  | \$ (1,252,879)                     | \$ (28,763)  | \$ (114,585)                          | \$ (186,282)                            | \$ (28,956)        | \$ (1,611,465)        |
|  | (169,932)                          | -  | (5,938)                               | -                                       | (1,516)            | (177,386)             |
|  | 189,726                            | -  | -                                     | -                                       | 1,986              | 191,712               |
|  | 142,043                            | -  | 112,027                               | -                                       | -                  | 254,070               |
|  | <u>\$ (1,091,042)</u>              | <u>\$ (28,763)</u>                                   | <u>\$ (8,496)</u>                     | <u>\$ (186,282)</u>                     | <u>\$ (28,486)</u> | <u>\$ (1,343,069)</u> |

**RECONCILIATION OF CASH AND INVESTMENTS  
TO CASH AND CASH EQUIVALENTS**

Cash and Investments:  
Treasurer's Cash and Investments  
Cash and Investments Held by Fiscal Agent  
Cash and Cash Equivalents

|  |                     |                  |                     |                     |                   |                      |
|--|---------------------|------------------|---------------------|---------------------|-------------------|----------------------|
|  | \$ 3,779,108        | \$ 1,241,693     | \$ 3,796,446        | \$ 2,193,219        | \$ 140,904        | \$ 11,151,370        |
|  | -                   | 37,945           | 350,000             | -                   | -                 | 387,945              |
|  | <u>\$ 3,779,108</u> | <u>1,279,638</u> | <u>\$ 4,146,446</u> | <u>\$ 2,193,219</u> | <u>\$ 140,904</u> | <u>\$ 11,539,315</u> |

**ST. CROIX COUNTY, WISCONSIN  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
DECEMBER 31, 2023**

|  | Tax Agency        | Sheriff        | Register<br>of Deeds | Clerk of Court   | Permitting<br>and Platting<br>Escrow | Total             |
|--|-------------------|----------------|----------------------|------------------|--------------------------------------|-------------------|
| <b>ASSETS</b>                            |                   |                |                      |                  |                                      |                   |
| Treasurer's Cash and Investments         | \$ 20,831,168     | \$ -           | \$ 183,757           | \$ -             | \$ 43,569                            | \$ 21,058,494     |
| Departmental Cash and Investments        | -                 | 232,613        | -                    | 2,230,112        | -                                    | 2,462,725         |
| Special Assessments Receivable           | 48,951            | -              | -                    | -                | -                                    | 48,951            |
| Total Assets                             | <u>20,880,119</u> | <u>232,613</u> | <u>183,757</u>       | <u>2,230,112</u> | <u>43,569</u>                        | <u>23,570,170</u> |
| <b>LIABILITIES</b>                       |                   |                |                      |                  |                                      |                   |
| Due to Other Governments                 | 18,171,135        | -              | 183,757              | 1,300,258        | 43,569                               | 19,698,719        |
| Due to Individuals                       | 24,276            | -              | -                    | -                | -                                    | 24,276            |
| Accounts Payable                         | 3,832             | -              | -                    | -                | -                                    | 3,832             |
| Total Liabilities                        | <u>18,199,243</u> | <u>-</u>       | <u>183,757</u>       | <u>1,300,258</u> | <u>43,569</u>                        | <u>19,726,827</u> |
| <b>DEFERRED INFLOWS OF<br/>RESOURCES</b> |                   |                |                      |                  |                                      |                   |
| Succeeding Year's Property Taxes         | <u>2,680,876</u>  | <u>-</u>       | <u>-</u>             | <u>-</u>         | <u>-</u>                             | <u>2,680,876</u>  |
| <b>NET POSITION</b>                      |                   |                |                      |                  |                                      |                   |
| Restricted for:                          |                   |                |                      |                  |                                      |                   |
| Individuals, Organizations, and          | \$ -              | \$ 232,613     | \$ -                 | \$ 929,854       | \$ -                                 | \$ 1,162,467      |
| Other Governments                        |                   |                |                      |                  |                                      |                   |



**ST. CROIX COUNTY, WISCONSIN**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

|  | Tax Agency | Sheriff    | Register<br>of Deeds | Clerk of Courts | Permitting<br>and Platting<br>Escrow | Total        |
|--|------------|------------|----------------------|-----------------|--------------------------------------|--------------|
| <b>ADDITIONS</b>   |            |            |                      |                 |                                      |              |
| Contributions:   |            |            |                      |                 |                                      |              |
| Individuals  | \$ -       | \$ 751,208 | \$ -                 | \$ -            | \$ -                                 | \$ 751,208   |
| Property Tax Collections for Other                       |            |            |                      |                 |                                      |              |
| Governments  | 56,642,020 | -          | -                    | -               | -                                    | 56,642,020   |
| Fines and Forfeitures                                    | -          | -          | -                    | 2,414,610       | -                                    | 2,414,610    |
| License and Fees Collected for State                     | -          | -          | 5,388,093            | -               | 1,700                                | 5,389,793    |
| Total Additions  | 56,642,020 | 751,208    | 5,388,093            | 2,414,610       | 1,700                                | 65,197,631   |
| <b>DEDUCTIONS</b>  |            |            |                      |                 |                                      |              |
| Payments of Property Tax to Other                        |            |            |                      |                 |                                      |              |
| Governments  | 56,642,020 | 760,810    | -                    | -               | -                                    | 57,402,830   |
| Payments to Other Governments                            | -          | -          | -                    | 2,415,908       | 1,700                                | 2,417,608    |
| Distribution to Participants                             | -          | -          | 5,388,093            | -               | -                                    | 5,388,093    |
| Total Deductions   | 56,642,020 | 760,810    | 5,388,093            | 2,415,908       | 1,700                                | 65,208,531   |
| <b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b> | -          | (9,602)    | -                    | (1,298)         | -                                    | (10,900)     |
| Fiduciary Net Position - Beginning of Year               |            |            |                      |                 |                                      |              |
| as Previously Reported                                   | -          | 242,215    | 174,729              | 2,022,958       | 53,225                               | 2,493,127    |
| Prior Period Adjustment                                  | -          | -          | (174,729)            | (1,091,806)     | (53,225)                             | (1,319,760)  |
| Fiduciary Net Position - Beginning of Year               | -          | 242,215    | -                    | 931,152         | -                                    | 1,173,367    |
| <b>FIDUCIARY NET POSITION - END OF YEAR</b>              | \$ -       | \$ 232,613 | \$ -                 | \$ 929,854      | \$ -                                 | \$ 1,162,467 |

## OTHER REPORTS



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Members of the County Board of Supervisors  
St. Croix County, Wisconsin  
Hudson, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of St. Croix County, Wisconsin, (the County) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 24, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses listed as items 2023-001 through 2023-002, that we consider to be material weaknesses.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### ***St. Croix County, Wisconsin's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

#### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Hudson, Wisconsin  
July 24, 2024

**ST. CROIX COUNTY, WISCONSIN, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2023**

**FINDING: 2023-001    Material Audit Adjustments, Material Weakness**

|                              |  |
|------------------------------|--|
| <b>Criteria:</b>             | The County should have controls in place to prevent or detect a material misstatement in the financial statements in a timely manner.  |
| <b>Condition:</b>            | The audit firm proposed, and the County posted to its general ledger accounts, journal entries for correcting certain misstatements. These adjustments were considered to be material for the fair presentation of the financial statements.   |
| <b>Cause:</b>                | The County has not established controls to ensure that all accounts are adjusted to their appropriate year-end balances in accordance with GAAP.   |
| <b>Effect:</b>               | The potential exists that financial statements of the County may include inaccurate information not detected or prevented by County staff.   |
| <b>Repeat Finding:</b>       | Yes 2022-001.  |
| <b>Recommendation:</b>       | The County should continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year-end balances in accordance with GAAP.  |
| <b>Management's Response</b> | The County agrees with the finding and will continue to rely upon the audit firm to propose audit adjustments necessary to adjust accounts in accordance with GAAP. Management will review and approve these entries prior to recording them. The Finance Director is the official responsible for ensuring corrective action of the deficiency. The County has informed us that they will review adjustments proposed by the auditors and will endeavor to minimize the number and amount of proposed adjustments in future audits, but will continue to rely upon the audit firm to propose such audit adjustments as are necessary to adjust accounts in accordance with accounting principles generally accepted in the United States of America (GAAP). Management will review and approve those entries prior to recording them. |

**ST. CROIX COUNTY, WISCONSIN, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2023**

**FINDING: 2023-002 Limited Segregation of Duties, Material Weakness**

|                               |   |
|-------------------------------|---|
| <b>Criteria:</b>              | Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.  |
| <b>Condition:</b>             | In certain County offices (i.e. register of probate, zoning, and aging). the available staff precludes a proper separation of duties to assure adequate internal control.   |
| <b>Cause:</b>                 | The limited size of the County's staff responsible for accounting and financial reporting functions precludes a complete segregation of incompatible duties.  |
| <b>Effect:</b>                | The potential exists, due to the lack of segregation of duties, that a financial statement misstatement or misappropriation of assets caused by error or fraud may not be detected or prevented by County staff.  |
| <b>Repeat Finding:</b>        | Yes 2022-002.   |
| <b>Recommendation:</b>        | The County should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.  |
| <b>Management's Response:</b> | The County agrees with this finding and continues to achieve segregation of duties whenever cost effective. The Finance Director is the official responsible for ensuring corrective action of the deficiency. The limited segregation of duties condition is applicable to the receipting, disbursement and journal entry transaction cycles as well as financial reporting functions of the County. |



**FORM OF LEGAL OPINION**

(See following pages)



Quarles & Brady LLP  
411 East Wisconsin Avenue  
Milwaukee, WI 53202

July 2, 2025

Re: St. Croix County, Wisconsin ("Issuer")  
\$7,500,000 General Obligation Promissory Notes, Series 2025A,  
dated July 2, 2025 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on June 1 of each year, in the years and principal amounts as follows:

| <u>Year</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|-------------|-------------------------|----------------------|
| 2026        | \$100,000               | ____%                |
| 2027        | 350,000                 | ____                 |
| 2028        | 300,000                 | ____                 |
| 2029        | 300,000                 | ____                 |
| 2030        | 300,000                 | ____                 |
| 2031        | 500,000                 | ____                 |
| 2032        | 500,000                 | ____                 |
| 2033        | 500,000                 | ____                 |
| 2034        | 500,000                 | ____                 |
| 2035        | 500,000                 | ____                 |
| 2036        | 500,000                 | ____                 |
| 2037        | 450,000                 | ____                 |
| 2038        | 400,000                 | ____                 |
| 2039        | 400,000                 | ____                 |
| 2040        | 400,000                 | ____                 |
| 2041        | 300,000                 | ____                 |
| 2042        | 300,000                 | ____                 |
| 2043        | 300,000                 | ____                 |
| 2044        | 300,000                 | ____                 |
| 2045        | 300,000                 | ____                 |

Interest is payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2026.

The Notes maturing on June 1, 2034 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on June 1, 2033 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

[The Notes maturing in the years \_\_\_\_\_ are subject to mandatory redemption by lot as provided in the Notes, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

We further certify that we have examined a sample of the Notes and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Notes have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Notes, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.

3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights

and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

### BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the County or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

(See following pages)

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by St. Croix County, Wisconsin (the "Issuer") in connection with the issuance of \$7,500,000 General Obligation Promissory Notes, Series 2025A, dated July 2, 2025 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on December 3, 2024 and June 3, 2025 (collectively, the "Resolution") and delivered to \_\_\_\_\_ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at [www.emma.msrb.org](http://www.emma.msrb.org) in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated June 3, 2025 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the County Board of Supervisors of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means St. Croix County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the County Administrator of the Issuer who can be contacted at 1101 Carmichael Road, Hudson, Wisconsin 54016, phone (715) 381-4303, fax (715) 381-4301.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

### Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 2024, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.



Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. TAX LEVIES AND COLLECTIONS - Tax Levies and Collections

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist

it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 2nd day of July, 2025.

(SEAL)

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Bob Long  
Chairperson

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Christine Hines  
County Clerk

**NOTICE OF SALE**

**\$7,500,000\* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2025A  
ST. CROIX COUNTY, WISCONSIN**

Bids for the purchase of \$7,500,000\* General Obligation Promissory Notes, Series 2025A (the "Notes") of St. Croix County, Wisconsin (the "County") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the County, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M., Central Time, on June 3, 2025, at which time they will be opened, read and tabulated. The bids will be presented to the Board of Supervisors for consideration for award by resolution at a meeting to be held at 5:00 P.M., Central Time, on the same date. The bid offering to purchase the Notes upon the terms specified herein and most favorable to the County will be accepted unless all bids are rejected.

**AUTHORITY; PURPOSE; SECURITY**

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the County, for public purposes, including the construction of a satellite highway shop and other authorized capital improvement plan projects. The Notes are general obligations of the County, and all the taxable property in the County is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

**DATES AND MATURITIES**

The Notes will be dated July 2, 2025, will be issued as fully registered Notes in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on June 1 as follows:

| <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> |
|-------------|----------------|-------------|----------------|-------------|----------------|
| 2026        | \$100,000      | 2033        | \$500,000      | 2040        | \$400,000      |
| 2027        | 350,000        | 2034        | 500,000        | 2041        | 300,000        |
| 2028        | 300,000        | 2035        | 500,000        | 2042        | 300,000        |
| 2029        | 300,000        | 2036        | 500,000        | 2043        | 300,000        |
| 2030        | 300,000        | 2037        | 450,000        | 2044        | 300,000        |
| 2031        | 500,000        | 2038        | 400,000        | 2045        | 300,000        |
| 2032        | 500,000        | 2039        | 400,000        |             |                |

**ADJUSTMENT OPTION**

The County reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

**TERM BOND OPTION**

Bids for the Notes may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

## **INTEREST PAYMENT DATES AND RATES**

Interest will be payable on June 1 and December 1 of each year, commencing June 1, 2026, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

## **BOOK-ENTRY-ONLY FORMAT**

Unless otherwise specified by the purchaser, the Notes will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Notes, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Notes. So long as Cede & Co. is the registered owner of the Notes, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Notes.

## **PAYING AGENT**

The County has selected U.S. Bank Trust Company, National Association, St. Paul, Minnesota, to act as paying agent (the "Paying Agent"). The County will pay the charges for Paying Agent services. The County reserves the right to remove the Paying Agent and to appoint a successor.

## **OPTIONAL REDEMPTION**

At the option of the County, the Notes maturing on or after June 1, 2034 shall be subject to optional redemption prior to maturity on June 1, 2033 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the County. If only part of the Notes having a common maturity date are called for redemption, then the County or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

## **DELIVERY**

On or about July 2, 2025, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the County will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the County, threatened. Payment for the Notes must be received by the County at its designated depository on the date of closing in immediately available funds.

## LEGAL MATTERS

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the County ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the County; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

Quarles & Brady LLP has also been retained by the County to serve as Disclosure Counsel to the County with respect to the Notes. Although, as Disclosure Counsel to the County, Quarles & Brady LLP has assisted the County with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in the Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

## SUBMISSION OF BIDS

Bids must not be for less than \$7,406,250 plus accrued interest on the principal sum of \$7,500,000 from date of original issue of the Notes to date of delivery. **The maximum proposal allowed will be \$8,250,000.** Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to [bondsale@ehlers-inc.com](mailto:bondsale@ehlers-inc.com); or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:30 A.M., Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at <https://ihsmarkit.com/products/municipal-issuance.html> or via telephone (844) 301-7334.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the County nor Ehlers shall be responsible for any failure to receive a facsimile submission.

**A good faith deposit ("Deposit") in the amount of \$150,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids.** The County reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the County may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the County as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The County and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the County scheduled for award of the Notes is adjourned, recessed, or continued to another date without award of the Notes having been made.

### **AWARD**

The Notes will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The County's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Notes will be awarded by lot. The County reserves the right to reject any and all bids and to waive any informality in any bid.

### **BOND INSURANCE**

If the Notes are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the County requested and received a rating on the Notes from a rating agency, the County will pay that rating fee. Any rating agency fees not requested by the County are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Notes are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Notes.

### **CUSIP NUMBERS**

The County will assume no obligation for the assignment or printing of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

### **QUALIFIED TAX-EXEMPT OBLIGATIONS**

The Notes shall be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

### **CONTINUING DISCLOSURE**

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the County will enter into an undertaking for the benefit of the holders of the Notes. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

### **NEW ISSUE PRICING**

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Notes pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the County in establishing the issue price of the Notes and shall execute and deliver to the County at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications. All actions to be taken by the County under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the County by the County's municipal advisor identified herein and any notice or report to be provided to the County may be provided to the County's municipal advisor.



(b) The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the "competitive sale requirements") because:

- (1) The County shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the County may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the County anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the County shall advise the winning bidder of such fact prior to the time of award of the sale of the Notes to the winning bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the County agrees to use the rule selected by the winning bidder on its bid form to determine the issue price for the Notes. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Notes (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Notes to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Notes, that the underwriters will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the County promptly after the close of the fifth (5<sup>th</sup>) business day after the sale whether it has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The County acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Notes, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in the third-party distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Notes.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the County, Bond Counsel and Ehlers the prices at which the Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Notes of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Notes, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the County or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Notes of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the County or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Notes that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Notes to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Notes to any person that is a related party to an underwriter participating in the initial sale of the Notes to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public),
- (iii) a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Notes are awarded by the County to the winning bidder.

#### **PRELIMINARY OFFICIAL STATEMENT**

Bidders may obtain a copy of the Preliminary Official Statement relating to the Notes prior to the bid opening by request from Ehlers at [www.ehlers-inc.com](http://www.ehlers-inc.com) by connecting to the Bond Sales link. The Underwriter (Syndicate Manager) will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Board of Supervisors

St. Croix County, Wisconsin

# BID FORM

The Board of Supervisors  
St. Croix County, Wisconsin (the "County")

June 3, 2025

RE: \$7,500,000\* General Obligation Promissory Notes, Series 2025A (the "Notes")  
DATED: July 2, 2025

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$\_\_\_\_\_ (not less than \$7,406,250 *and not more than \$8,250,000*), plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

|                  |                  |                  |
|------------------|------------------|------------------|
| _____ % due 2026 | _____ % due 2033 | _____ % due 2040 |
| _____ % due 2027 | _____ % due 2034 | _____ % due 2041 |
| _____ % due 2028 | _____ % due 2035 | _____ % due 2042 |
| _____ % due 2029 | _____ % due 2036 | _____ % due 2043 |
| _____ % due 2030 | _____ % due 2037 | _____ % due 2044 |
| _____ % due 2031 | _____ % due 2038 | _____ % due 2045 |
| _____ % due 2032 | _____ % due 2039 |                  |

The County reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

**A good faith deposit ("Deposit") in the amount of \$150,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids.** The County reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the County may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the County as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about July 2, 2025.

This bid is subject to the County's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Notes.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Underwriter (Syndicate Manager), we agree to provide the County with the reoffering price of the Notes within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Notes identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: \_\_\_\_ NO: \_\_\_\_.

If the competitive sale requirements are not met, we elect to use either the: \_\_\_\_ 10% test, or the \_\_\_\_ hold-the-offering-price rule to determine the issue price of the Notes.

Account Manager: \_\_\_\_\_ By: \_\_\_\_\_  
Account Members: \_\_\_\_\_

**Award will be on a true interest cost basis.** According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from July 2, 2025 of the above bid is \$ \_\_\_\_\_ and the true interest cost (TIC) is \_\_\_\_%.

The foregoing offer is hereby accepted by and on behalf of the Board of Supervisors of St. Croix County, Wisconsin, on June 3, 2025.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_